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28 October 1985

Southeast Asia Report



FOREIGN BROADCAST INFORMATION SERVICE

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28 October 1985

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FIJI

BRIEFS

FINANCES 'GENERALLY SATISFACTORY'--Fiji is now in a "generally satisfactory" financial position, the Governor-General, Ratu Sir Penaia Ganilau told the Parliament at the official opening of the present session. With the wage freeze already in effect for the past nine months, the balance of payments position had improved and the level of foreign reserves was higher than at any time in the past two years, he said. The government had set up seven task forces to review performance and policy issues in the major sectors of the economy in a new approach to its preparations for Development Plan 9. Special long-term agreements on sugar negotiated by the government this year had bumped up revenue from sugar sales for 1985 to \$F114 million. If the sugar had been sold at world free-market prices, said Ratu Penaia, revenue from sales would have been about \$40 million. This would have meant a cane price to farmers of less than \$9 a tonne, but they were now assured of about \$23 a tonne because of the special arrangements recently negotiated with New Zealand and China. Ratu Penaia said the tourist industry was seen as providing the best prospect for generating both employment and foreign exchange. At present, it directly employed 6700 people but the number of people dependent on tourism as a source of income was seen to be much higher. [Text] [Sydney THE SOUTH SEA DIGEST in English 20 Sep 85 pp 3, 4]

GOVERNMENT ACCEPTS TV SERVICE PROPOSAL--The Fiji Government has accepted a proposal by the Australian Company, Publicity and Broadcasting Limited to set up a Television Service in the country. This was announced by Fiji's Prime Minister and Minister for information, Ratu Sir Kamisese Mara. The Company is owned by the Kerry Packer Group which operates the channel nine Television network. The company will develop a Television Service for Fiji in three stages, each covering different parts of the country. The service is expected to be set up by 1987. Sir Kamisese said there were already 30-40 thousand Video Sets in Fiji and the introduction of Television appeared logical at this stage. He said the Government would also speed up its Electrification Programme to ensure the bulk of the population had access to Television. A five-man Board of Directors is to be set up with the Fiji Government having two of the appointees. A Radio Australia Correspondent in Suva says a proposal by a Fiji Company, T.V. South Pacific was not accepted. [Text] [Honiara SOLOMON STAR in English 27 Sep 85 p 10]

CSO: 4200/49

KIRIBATI

BRIEFS

NEW PARTY FORMED--Mr Teburea Bakaoti, the Kiribati Opposition MP who moved a "no confidence" motion against the government of President Lereima Tabai for signing the agreement allowing Russian fishing vessels to operate in the Kiribati 200-mile fishing zone, has formed a new party, the Christian Democratic Party to oppose the agreement and campaign for a referendum. The "no confidence" motion was defeated (SSd/v5/12). [Text] [Sydney THE SOUTH SEA DIGEST in English 20 Sep 85 p 1]

CSO: 4200/50

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LEADERS' MESSAGE OF THANKS TO LAOS FROM SRV

BK021129 Vientiane KPL in English 0901 GMT 2 Oct 85

[Text] Vientiane, 2 Oct (KPL)--Kaysone Phomvihane, general secretary of the LPRP CC, chairman of the Council of Ministers, and Souphanouvong, president of the Lao PDR and of the People's Supreme Assembly, have received a message of thanks from Vietnamese party and state leaders for their message of congratulations on the occasion of the 40th anniversary of the August Revolution and the National Day of Vietnam.

The message of thanks was signed by Le Duan, general secretary of the CPV CC, Truong Chinh, president of the State Council, Pham Van Dong, chairman of the Council of Ministers and Nguyen Huu Tho, chairman of the National Assembly of the Socialist Republic of Vietnam.

It said "On behalf of the Communist Party of Vietnam, the National Assembly, the State Council and the Council of Ministers of the SRV, and the Vietnamese people, we would like to convey to you, and through you, to the Central Committee of the Lao People's Revolutionary Party, the People's Supreme Assembly, the government and the fraternal people of Laos, our sincere and profound thanks for your best wishes on the occasion of the 40th anniversary of the August Revolution and the National Day of SRV.

"The presence of the top party and state delegation of the Lao PDR during our great festive days is a splendid expression of the combative [as received] solidarity and great friendship between Vietnam and Laos and a strong encouragement to our people in the construction and defence of the socialist Vietnam.

"The Vietnamese people pledge to do their utmost to further strengthen the special Vietnamese-Lao relationship and the Vietnamese-Lao-Kampuchean combative alliance for the interest of the revolution in each country and for peace and stability in Southeast Asia and other parts of the world.

"We wish the fraternal Lao people new and still greater successes in carrying out the resolutions of the Third Congress of the LPRP in order to successfully build a peaceful, independent, unified and socialist Laos.

"May the great friendship, combative solidarity and all round cooperation between Vietnam and Laos as well as among Vietnam, Laos and Kampuchea be unceasingly promoted and developed.

"We wish you the best of health and success in your noble mission. [No closing quotation mark as received]

CSO: 4200/31

LAOS

BRIEFS

GREETINGS TO BULGARIAN PEOPLE'S ARMY--Vientiane, 23 Sep (KPL)--General Khamtai Siphandon, minister of national defence, today sent a message of greetings to General D. Dzhurov, minister of national defence of Bulgarian People's Republic, on the occasion of the 41st anniversary of the foundation of the Bulgarian People's Army. The message expressed the best wishes and warmest congratulations from General Khamtai Siphandon to D. Dzhurov, and through him, to all Bulgarian army men. It said: "Under the leadership of the Bulgarian Communist Party and with the great support and close cooperation of the Soviet Union, during the past 41 years, the Bulgarian People's Army, promoting the heroic tradition of the nation with a history of over 1,300 years, has scored great victories in the national revolutionary struggle against fascism, for socialist construction in Bulgaria." [Text] [Vientiane KPL in English 0902 GMT 23 Sep 85]

SINGAPORE THANKS SOUPHANOUVONG--Vientiane, 26 Sep (KPL)--Souphanouvong, president of the Lao People's Democratic Republic, has received a telegram of thanks from Lee Kim Wee, president of the Republic of Singapore. The message said: "Please accept my sincere thanks for your warm message of congratulations on the occasion of my inauguration as president of Singapore." [Text] [Vientiane KPL in English 0904 GMT 26 Sep 85]

CSO: 4200/31

NEW ZEALAND

LANGE TO USE 'QUIET DIPLOMACY' WITH FRANCE

HK040136 Hong Kong AFP in English 0127 GMT 4 Oct 85

[Text] Wellington, 4 October (AFP)--New Zealand Prime Minister David Lange today said he hoped to begin cabinet-level talks with the French government "quite soon" in what he described as "a new approach to France using more sophisticated diplomacy."

Mr Lange confirmed today that New Zealand Overseas Trade Minister Mike Moore was one of the cabinet ministers who might travel to Paris for talks in the next few weeks. He said "quiet diplomacy" was more likely to achieve results in dealing with France.

Mr Lange said New Zealand wanted to bring about a change in the French nuclear test program. "If a bomb goes off, we issue a press statement. "All that happened so far is that the next bomb has a higher kilotonnage than the last one, and we must block that unholy escalation," he said. "What we have to do now is to make an impact and that requires more sophisticated diplomacy."

Overseas Trade Minister Moore is due to make two short trips to Paris later this month during a Middle-East trade development mission. His trip includes a short stopover in Paris 25 October before he flies to Algiers and a 12-hour stopover in Paris 27 October before returning to New Zealand.

"The long term interest of New Zealand is to have no nuclear testing in the South Pacific and good trade relations with France," said Mr Lange. He said he was sure that it was possible to have a practical, businesslike and amicable relationship with France on trade and access to European markets.

The prime minister emphasized that despite this approach, New Zealand remained "implacably opposed to French nuclear testing."

CSO: 4200/60

NEW ZEALAND

COLUMNIST ANALYZES GOVERNMENT'S FOREIGN POLICY PRINCIPLES

HK080757 Wellington THE EVENING POST in English 1 Oct 85 p 4

[Column: "Tony Garnier's Weekwatch" "'Qualified Alignment' Favoured To Replace ANZUS Treaty"]

[Text] With barely a ripple of criticism, the Government last week revealed how it will resolve the contradiction between two key foreign policy objectives.

It will forgo ANZUS and, in effect, give New Zealand a "qualified alignment" in foreign and defence policy. Not that the Government has said as much explicitly, but it seemed to be the key message in a major speech by Prime Minister Mr Lange.

The first objective is to set in legislative concrete the exclusion of nuclear weapons from New Zealand, he indicated.

The second objective is maintain (restore?) friendly and productive relations with the United States, which, of course, is a nuclear superpower.

Mr Lange said both objectives were critical to New Zealand. He added that both were valuable and not incompatible, which are both very much debatable claims, given our membership of the ANZUS alliance and the nuclear ship impasse.

However, the Government has decided to take the superpower bull by the horns, so to speak, and declared that it will sacrifice ANZUS if that would help keep a positive tie with the United States.

The ANZUS alliance linking New Zealand, Australia and the United States has been the cornerstone of New Zealand's postwar foreign and defence policy. However, the visit by Deputy Prime Minister Geoff Palmer to the United States has reinforced the view that the United States regards ANZUS as strictly a nuclear alliance, and there is no room for compromise.

In the context of its global strategies of deterrence, the United States has 90 countries to consider. Mr Palmer was told it could not make an exception for New Zealand.

It has had its policy of neither confirming nor denying (NCND) whether nuclear weapons are on board a vessel for 35 years.

In the U.S. view, an exception for New Zealand would create too many ripples among other allies: countries like Greece, Norway, Iceland, Japan, and perhaps Britain under a labour government.

Although Mr Lange said he (like the previous Government) does not accept the proposition that ANZUS requires New Zealand to accept nuclear weapons, he indicated that the United States did so, in the context of its global strategies of deterrence.

In the end, Mr Lange said, maintaining an antinuclear New Zealand was more important than maintaining the treaty; and it was the treaty (not the nuclear stand) which had become the obstacle to having a good relationship with the United States and Australia.

Goodbye, ANZUS! Both the United States and Australia have agreed to review ANZUS when New Zealand goes ahead with its antinuclear legislation.

The United States has promised a "negative" review. The options range from letting the treaty atrophy (in the slim possibility that in a distant future it might be called on if New Zealand is ever directly threatened and the United States decides it is in its interests to help) to Congress passing legislation revoking the treaty.

It is not easy to establish precisely how New Zealanders will respond to the demise of ANZUS. There is a lack of opinion poll data on what choice people would make if asked to decide between ANZUS and remaining antinuclear. It is almost certain that among the 70 percent said to be in favour of ANZUS there will be people (perhaps a significant number) who make up the 60 percent said to be antinuclear.

In all probability, many people will react according to how well the Government succeeds in working New Zealand out of the alliance. Can Mr Lange do the job, diplomatically, that is, simply as the "realpolitik" of national security, without cooling New Zealand's long friendship with the United States (one which embraces far more than just defence interests?)

To date, he has succeeded in keeping public opinion on side. It may suggest New Zealanders, as a nation, are achieving a mature confidence in themselves. It could be even the case that the robust style Mr Lange has projected could be in danger of criticism not for a lack of, but for excessive confidence. It is almost as if New Zealanders are starting to believe they and their country have a special role to perform in the world, and a singular destiny to fulfill.

There was a time when New Zealand was overly dependent on Britain and the United States. The public aligned itself to slogans which altered to fit conformity: "Where Britain goes, we go!" declared Prime Minister Savage in 1939. "All the way with LBJ!" proclaimed Australian Prime Minister Harold Holt in 1965 and which Kiwis soon took up.

But over time more New Zealanders have become aware that it is a presumption that ANZUS gives automatic protection.

Article IV pledges that each of the parties "will act to meet the common danger in accordance with its constitutional processes."

A "common danger" implies all three nations coming under attack: in short, a world war! And a world war suggests a nuclear Armageddon.

Mr Lange is probably speaking for most New Zealanders when he says that New Zealand does not want to be defended by nuclear weapons. And a former secretary of defence, Sir Jack Hunn, has suggested that if New Zealand is to take part in Armageddon, "let it be by choice of a free conscience, not by treaty obligation."

Sir Jack argues the benefits of ANZUS are not as obvious as the burdens. However, he says New Zealand, by nature, is not predisposed to be neutral or unaligned. He has suggested New Zealand could aim to establish friendship without asking the nations concerned to be our military allies. And in a line which echoes Mr Lange (or is it the other way round?), Sir Jack has noted that New Zealand's "natural affinity with the United States is self-evident without any formal alliance." He adds that, indeed, "being enmeshed in U.S. (global as against our regional) motivations could be ruinously sacrificial."

Sir Jack favours "qualified alignment," meaning alignment in sentiment but with the right to opt out on particular occasions "rather than acquiesce meekly." It would give New Zealand the sort of defence independence exercised by the NATO members. Indeed, it could be taken as far as Sweden's posture; it has a Western lifestyle but, even though part of Europe, is not in NATO. Yet it is hard up against the border of the supposed number one enemy, Soviet Union Communism, and has managed to confidently survive.

Mr Lange seems to be leading New Zealand towards a form of qualified alignment. New Zealand, he says, remains willing to fulfil its defence obligations in conventional forms.

To date, the United States has interpreted New Zealand's wish to opt out of an ANZUS nuclear alliance, as a bid to escape taking a share in the Western world's burden--maintaining a credible nuclear deterrence. New Zealand is being cast as isolationist and selfish.

But the New Zealand logic is that nuclear weapons are not part of the on-the-ground defence preparedness of this part of the world: let us keep it that way and maintain a non-nuclear balance.

Instead, New Zealand will start to spend more on conventional defence, and take on a greater share of the West's defence burden that way.

Mr Lange says New Zealand's policy is not for export. But if so, it is not working (which explains a great deal of why leading Americans are showing a measure of anger towards New Zealanders just now). Instead, the message

from all round the world is of New Zealand's growing reputation for "pragmatic idealism."

As the "SAN FRANCISCO CHRONICLE" put it recently: "Time and again, New Zealand has proven itself to be an island of sanity in an insane world. While the U.S., France and scores of other nations might dwarf it economically and militarily, New Zealand towers over all of them as one of the most enlightened nations on the face of the earth."

Really? Most New Zealanders are more cynical. They would say that perhaps the best option for New Zealand is to muddle along as best as it can. In that task, the Government is doing a pretty good job.

CSO: 4200/60

NEW ZEALAND

RAINBOW WARRIOR REPARATIONS NEGOTIATING TEAM NAMED

HK080713 Wellington THE EVENING POST in English 30 Sep 85 p 4

[By Chief Political Reporter]

[Text] The deputy secretary of Foreign Affairs, Mr Chris Beeby, is expected to head the New Zealand team of officials who will negotiate reparations with France over the Rainbow Warrior bombing. Indicating this, a government source said the talks would probably resume in New York in about three weeks.

Other members of the team are expected to be Mr Colin Keating, head of the ministry's legal division, and Mr Bill Mansified, second in charge of New Zealand's United Nations office in New York and a former head of the legal division.

The Wellington input into the negotiations is being supplied by the secretary of foreign affairs, Mr Mervyn Norrish, and an assistant secretary, Mr Tony Small.

To date, the French side has been led by the head of its foreign service legal division, Mr Guillaume.

The Prime Minister and Minister of Foreign Affairs, Mr Lange, indicated last week that the talks, which began last week, could go on for many months before a final compensation package is reached.

The talks have so far been confined to establishing the principal mechanisms under which the substantive issues will be canvassed. This aspect is still to be finally determined.

Talks on the actual issues, including a full apology from France for the bombing and compensation, which Mr Lange has said could amount to millions of dollars, are not likely for some time. Mr Beeby is overseas on other matters and is not expected to take up [word indistinct] brief until he returns to Wellington next week.

CSO: 4200/60

NEW ZEALAND

BRIEFS

CREDIT RATING NOT LINKED TO ANZUS--United States bankers had never raised the question of ANZUS in connection with New Zealand's credit rating, the Minister of Finance, Mr Douglas, said yesterday. Mr Douglas, in the Maldives for a meeting of Commonwealth finance ministers, was replying to comments yesterday from Opposition Leader, Mr McLay, who has just returned from a trip to the United States and Britain. Mr McLay said Mr Douglas had been told "in no uncertain terms" New Zealand would not return to its Triple A credit rating until there was a better political relationship between New Zealand and the United States. But Mr Douglas, in a telex to NZPA [NEW ZEALAND PRESS ASSOCIATION] from the Indian Ocean Island Republic, said: "Mr McLay's statement simply shows how desperate he is." Mr Douglas said it was "hardly worth responding to," but he would say the ANZUS treaty "was not raised by any banker I spoke to." Instead, the minister said U.S. bankers had been impressed by the progress New Zealand had made in dealing with the legacies of the previous Government. "The meetings I have had with bankers and institutional investors in New York are simply a continuation of the meetings I had with bankers in Europe earlier this year," Mr Douglas said. "I am planning a similar visit to Japan next year," he added. [Text] [Wellington THE EVENING POST in English 2 Oct 85 p 37 HK]

REPORT ON EXPORTING NUCLEAR POLICY--A controversial report from the Defence and Foreign Affairs Select Committee detailing ways to export New Zealand's nuclear policy is expected to be reported to the house next week. Contents of the report were leaked to the "NZ TIMES" in August, resulting in a charge that parliamentary privilege had been breached. Two pages of that 24-page report were made public yesterday by the privileges committee. Defence committee chairman, Helen Clark (Lab, Mt Albert), is overseas on holiday and was unable to comment on the status of the recommendations. However, the "POST" was able to confirm with committee member, Mr Doug Kidd (Nat, Marlborough) that deliberations on the report were complete and that it was likely to be put before the house next week. [Text] [Wellington THE EVENING POST in English 2 Oct 85 p 9]

NEW CANADIAN HIGH COMMISSIONER--The man who will be New Zealand's new Canadian High Commissioner, Mr A Douglas Small, is to arrive in Wellington from Canada today. Mr Small is to present his credentials to the Prime Minister, Mr Lange, next Tuesday when he officially becomes the new high commissioner. He replaces Mr Roger Rousseau who cut short his term in June to fly home to Ottawa for urgent medical treatment for a recurring eye problem. [Text] [Wellington THE EVENING POST in English 1 Oct 85 p 3 HK]

GOOD RELATIONS WITH FRANCE--New Zealand wants to have good strong relations with France, according to Deputy Prime Minister Geoffrey Palmer. He says it's important for us to have good relations with a democratic country with such great cultural traditions, and also because of its membership of the EEC. He said the recent claim by French opposition politician Jacques Chirac that the Rainbow Warrior affair will lower our trade with the EEC has not been borne out. [Begin Palmer recording] I have seen no evidence that we have harmed ourselves in that respect, the New Zealand Government seeks to have good relations with the Government of France [words indistinct]. [End recording. [Text] [Wellington Overseas Service in English 0000 GMT 13 Oct 85 HK]

CSO: 4200/74

PAPUA NEW GUINEA

AUSTRALIAN AMBASSADOR AIRS VIEWS ON OPM

Port Moresby PAPUA NEW GUINEA POST-COURIER in English 18 Sep 85 p 14

[Text]

Irian Jaya villagers living near the border with Papua New Guinea were tired of being "the meat in the sandwich" between the Free Papua Movement (OPM) and Indonesian soldiers, a senior Australian official said this week.

They were beginning to report the activities of OPM followers to the Indonesian authorities, the Australian Ambassador to Indonesia, Mr Bill Morrison, said in Port Moresby.

Mr Morrison claimed that support for the OPM was falling in Irian Jaya.

He based all his observations and views on talks he had with missionaries and Indonesian officials during a two-week tour of the Indonesian province of Irian Jaya.

Mr Morrison is a former Minister of External Territories in the Australian government.

He has had 30 years' experience of Indonesia and a "lengthy" ac-

quaintance with Papua New Guinea.

Mr Morrison flew from Jayapura to Port Moresby to take part in the Independence anniversary celebrations.

He took pains to stress that the transmigration program of Indonesia's Government was preceded by substantial migration during the Dutch colonisation period, so that a large number of people, especially from Macassar and the Molucca Islands, were already settled in Irian Jaya.

He said the transmigration program had fallen short of its target so far, partly because of the faulty choice of land sites for earlier moves. He said the program called for 600,000 people to move in the 1984-89 period,

but did not think that objective would be met.

He said the Indonesians were being much more careful in preparation of sites and he estimated that the program would fall about 30 per cent of the 600,000 target.

He said there were only 2700 soldiers in Irian Jaya...based on information he got from the commander of forces in the province.

There was no naval ship based in the province, and only one helicopter. When officials moved around the province, they usually used missionary aircraft, Mr Morrison said.

There was disproportionately high number of Indonesian Christians among the

bureaucracy of Irian Jaya in a largely Muslim nation.

He said PNG had far better infrastructure, especially of roads, than Irian Jaya.

"Talking to missionaries there, they point out that a number of villagers close to the border are informing the Indonesians when the OPM are coming into the village.

"The villagers are sick and tired of being the meat in the sandwich. They're getting it both ways.

"Our information is that the people just want a quiet life and see the OPM as disrupting the quiet life."

He agreed all his information was from official government sources.

PAPUA NEW GUINEA

BRIEFS

AGREEMENT REACHED ON AUSTRALIAN AID--PNG Prime Minister Mr Michael Somare and Australian Prime Minister Mr Bob Hawke signed a memorandum of understanding in Port Moresby this week covering the aid agreement under which Australia will give Papua New Guinea aid worth nearly \$US 1000 million over the five-year period. The agreed new arrangement will allow for a shift towards non-budgetary aid, mainly for development projects using Australian expertise. A PNG ministerial committee headed by Mr John Giheno, Foreign Affairs and Trade Minister, will advise Australia on how its tied aid amounting to K64 million (\$A85 million approx) should be spent. The tied aid, separate from the K982 million grant, will be administered by the Australian Development Assistance Bureau in Canberra and each funded project will need Australian Government approval. Mr Giheno said that for services such as consultants, only Australian consultants would be eligible to apply, and for procurement of goods, tenders would be advertised in Australia through the Australian Commonwealth Gazette and would be open to any firms, but for bids including Australian or New Zealand content, a 20% discount would be given. [Text] [Sydney THE SOUTH SEA DIGEST in English 20 Sep 85 pp 1, 2]

SOMARE REJECTS IMF REPORT--An International Monetary Fund report which warns Papua New Guinea about its spending rate and foreign borrowing and suggests that by the year-end the public debt could equal 43% of the gross domestic product, has been rejected by Prime Minister Mr Somare, who has denied that the fund-raising programme is out of control. He said PNG had the capacity to repay its debts which was more than many Latin countries could do. [Text] [Sydney THE SOUTH SEA DIGEST in English 20 Sep 85 p 2]

ADB AGRICULTURE GRANT--The Asian Development Bank has approved a technical assistance grant to Papua New Guinea for the Agricultural Marketing Support Services project aimed at providing comprehensive and efficient marketing systems. The grant will finance about 14 man-months of consultant services comprising an institutional/management specialist, agricultural marketing economist, post-harvest technologist, agro-processing technologist/engineer and rural sociologist. [Text] [Sydney THE SOUTH SEA DIGEST in English 20 Sep 85 p 2]

OK TEDI MINING PRODUCTION--Ok Tedi Mining Ltd produced a record 2682 kg of gold ore bullion worth K18.5 million (\$A24 million approx) in August, the largest return from the mine in PNG's Star Mountains since gold production began more than a year ago. The company is now achieving its maximum output capacity of 22 500 tonnes a day. Hase Westpac of Sydney took 650 kg of the August production of gold ore bullion, Deguss of West Germany taking the remainder. [Text] [Sydney THE SOUTH SEA DIGEST in English 20 Sep 85 p 3]

CSO: 4200/48

PHILIPPINES

COLUMNINIST WARNS OF USSR DESIGNS IN ASIA

Manila BULLETIN TODAY in English 22 Sep 85 p 6

[Commentary by Melchor P. Aquino: "Clear Soviet Ploy"]

[Text] Some ten years ago, the Soviet Union, spurred by its spectacular success at the European Security Conference in Helsinki, launched a diplomatic and propaganda drive for an Asian Security Conference. The avowed aim of the USSR was to create a mechanism for enduring peace and stability in Asia.

We had occasion to warn, in ASIAN FORUM that an Asian security meeting would enable the Soviet Union to make political and diplomatic capital of the dramatic recession of Western influence in Asia, and to present as a fait accompli its massive naval presence in the Indian Ocean, South China Sea, and in Vietnamese waters.

We make the same observation today in the face of a new Soviet drive for an Asian Security Conference. This time, Vietnam and North Korea, together with neutralist elements in other Asian countries, apparently are committed to the holding of such a conference.

A number of Asian countries studiously steer clear of diplomatic conversations regarding the Soviet scheme. Some are frankly skeptical about the professed motive of Russia. The People's Republic of China is, quite naturally, apprehensive over the Soviet move. It should be clear to all countries outside the Soviet orbit that the proposed security conference is a clever ploy, calculated to project the USSR into a position of prominence in the Asian picture, to outflank China diplomatically and politically, to counteract U.S. influence in Asia, and to condition the Asian mind for a definition of the pattern of peace and stability in Asia on the Soviet mold.

The ASEAN countries, which are committed in principle to the development of Southeast Asia into a "zone of peace, freedom, and neutrality," are particularly called upon to resist the Soviet move. Its success, being disruptive of the present power balance in Southeast Asia, would militate against the objectives and goals of ASEAN.

Joseph Luns, noted European statesman, has more than once charged the USSR with deliberate failure to live up to the obligations it solemnly assumed under the Helsinki Declaration. According to Mr. Luns, the Soviet Union has unceasingly pursued a bellicose foreign policy geared to the promotion of international ideological conflicts, and callously transgressed, violated, and repressed human rights. The merit of these charges lies in the fact that, under the terms of the Helsinki Declaration, Russia has found itself to help relieve international tensions, and to respect and observe human rights.

After the Helsinki gathering sanctified, in effect, Russian's sphere of influence, Moscow has been observed by NATO member states to be dragging its feet in the matter of mutual force reductions in Central Europe, which is crucial to European peace, security, and stability.

Ten years ago, the USSR was strong in Asia. Today, the Soviet Union is decidedly stronger in Asia. The United States and other Western powers have noted with marked concern "a threatening Soviet military buildup in the Far East," complemented by steps taken by Moscow to modernize the arsenal of North Korea and giant strides in the export of Russian military hardware and apparatus.

Of ominous historical and military significance is Russia's conspicuous success in converting the former U.S. base at Cam Ranh Bay in South Vietnam into the largest and most sophisticated overseas Soviet naval and air base.

If Asians want to know what would happen after an Asian Security Conference, they should look to Europe, for its sad experience with Soviet attitude and performance under an international accord may well be regarded as an object lesson for Asia.

As we pointed out previously, the Soviet Union desperately aspires to give form and substance to what is, at best, an inchoate claim to a sphere of influence in Asia.

Asians should realize that while Europe holds no new world's for Russia to conquer, Asia teems with possibilities for fresh Soviet conquests.

CSO: 4200/42

PHILIPPINES

BUSINESSMEN DISCUSS RECOVERY PROGRAM WITH MARCOS

Manila BULLETIN TODAY in English 20 Sep 85 p 1, 13

[Article by Willie Ng]

[Text] Leading businessmen gave their views on the revised economic recovery program yesterday during the Presidential Productivity Council meeting hosted by President Marcos in Malacanang.

Raul Concepcion, head of Concepcion Industries, called for changes in the tax simplification proposal embodied in the revised plan submitted the other day to the International Monetary Fund (IMF).

He noted that the proposal calls for the abolition of the foreign exchange tax, special import duty, advanced sales tax, domestic sales tax, and compensating tax—all to be replaced by a turnover tax with a rate of 10 percent for imports, seven percent for manufacturers and producers, and three percent for wholesalers and retailers.

Concepcion told Mr. Marcos that in the present economic situation, small businessmen such as wholesalers and retailers might be unable to absorb the three percent tax.

He proposed that for them, the turnover tax should be two percent.

On the other hand, he said, manufacturers and producers should absorb another one percent, making their rate eight percent.

The revised plan is aimed at stimulating business activity, a fact well appreciated by the council.

Concepcion cited government efforts to improve the economy, such as its successful efforts to negotiate with the IMF and the 483 foreign creditor banks as well as the reduction of interest rates from 48 percent to 20-26 percent.

He told Mr. Marcos that the businessmen are behind the plan to liberalize imports. However, he wanted this to be deferred "as its immediate implementation will hamper economic recovery which we all fervently pray for."

To ease imports now would place pressure on foreign exchange resources, he said, creating more problems for the balance of payments situation.

Wilfredo Tecson, president of the Consolidated Bank, said the bankers were satisfied with present economic policies. He noted that demand for import dollars "is not as robust" as it should be.

Lawyer Leonardo Siguion Reyna, representing the service industry, said that banks are selective in their lending, resulting in the multinationals taking the upper hand in the credit market.

The President said he agreed with the proposal of Felix Maramba, president of the Philippine Association of Flour Millers, that the millers be allowed to do their own importing of wheat.

Earlier, there was a move to allocate dollars for importing wheat and flour to the Federation of Bakers Associations.

Mr. Marcos advised the millers to stop criticizing one another and to talk to the bakers instead.

Democrito Mendoza, head of the Trade Union Congress of the Philippines, gave proposals to solve the current labor problems. Mr. Marcos said that proposals to solve the current labor problems.

Mr. Marcos said that proposals to amend the Magna Carta of Labor will be studied by both the council and the government.

He asked that all studies on problems of the various industries be collated by a study group which would report on the progress of the council's work to him.

Minister of Trade Roberto Ongpin said the problem of businessmen no longer centers on foreign exchange but on credit.

"The government has set the elements in place to permit business normalization," he said, inviting businessmen to use the tools provided them.

Prime Minister Cesar E. A. Virata said that private business has no ceiling on its domestic borrowings while government must observe strict limits.

He recommended that users of credit obtained abroad by the government and administered by the Fertilizer and Pesticides Authority and the National Food Authority raise their peso requirements through domestic banks.

Virata pointed out that the \$3-billion trade facility is not limited to importers and exporters, that it could be used also by those in finance services and construction in trade-related activities--not for working capital.

Mr. Marcos said the government is observing strong measures to reduce its budget deficit to about P 9.2 billion: "Government ministries are asked to cut their expenses to the very bone."

The President called for the reorganization of the board of the Philippine Coconut Authority.

To speed up the rehabilitation of the coconut industry, the President ordered PCA Administrator Rolando de la Cuesta to draw up within 48 hours a measure that would provide incentives for the coconut replanting program.

The rules will implement Presidential Decree 1972, an act to finance the coconut replanting program. The decree aims to step up coconut planting and replanting on a commercial scale through a tax exemption scheme granted to millers and exporters who will set up cooperatives.

CSO: 4200/42

PHILIPPINES

MUSLIM AUTONOMOUS OFFICIAL DENIES POSSIBILITY OF OFFENSIVE

Manila BULLETIN TODAY in English 16 Sep 85 p 16

[Article by Roy Sinfuego: "Talks with MNLF Doomed?"]

[Text] Jamil P. Lucman, member of the Lupong Tagapagpaganap ng Pook (LPP) of Region II autonomous government, bluntly denied yesterday the prospects of future MNLF armed offensive in Southern Philippines.

Lucman, who was then popularly known as Kumander Jungle Fox was the former chairman of the Military Central Committee at the MNLF and at the same time the overall commander of the entire Lanao Revolutionary Command, said that although there are still MNLF remnants in the hills, yet their present strength and armed capability are not enough to launch a major attack against the superior firepower of the Armed Forces of the Philippines.

Lucman, speaking before the Muslims' crowd in last night's celebration of the Muslim New Year (AMON-Jadid) at the Muslim Center in Quiapo, renewed his warning to the Muslims in Mindanao of being misled and carried away far from truth on the genuine and actual situation in Southern Philippines.

Lucman said that it is only the former high ranking leaders of the MNLF who are now working with the government who are capable of giving the people in the region actual position, strength and armed capability of the remaining MNLF if they are capable of renewing hostilities in Mindanao.

He said the two chairmen of the LPP's in Region IX and XII, Sali Wali and Amelil Malaguio, respectively, are former MNLF top field commanders who led their men in bloody fighting during the height of the Muslim secessionist rebellion in Mindanao who are genuinely capable of assessing the present situation in their respective autonomous regions.

Lucman said that 90 percent of the top ranking MNLF commanders and some 50,000 of their fighting men have already returned to the fold of the law and are now living peacefully and became active partners of the government in all its developmental thrusts and peace and order drive in Southern Philippines.

He said what the Muslims now must do is to renew their commitment and support to the government so that more socio-economic benefits will be gained by the Muslims and Christian inhabitants in Mindanao.

CSO: 4200/42

PHILIPPINES

CEBU PAPER QUESTIONS ROLE OF RADIOMAN'S NPA TIES

Cebu City SUN STAR DAILY in English 18 Sep 85 p 1, 2

[Article by Cerge M. Remonde: "Is Nilles a Deep Penetration Agent?"]

[Text] Is radioman Greg Nilles a deep penetration agent commissioned by the military to infiltrate the Communist Party of the Philippines--New Peoples Army (CPP-NPA) movement here?

This question hangs in the mind of opposition Member of Parliament Nenita Cortes Daluz, and some newsmen after a dialog with Nilles and Roy Maribao at the Regional Unified Command (RUC) conference room yesterday.

Nilles and Maribao are under military protective custody after they admitted membership of the CPP-NPA and participation in the murder last December 28 of radio commentator Vicente Villordon.

16 Mediamen

They also implicated 16 other local mediamen as having connections with the local underground movement which seeks to undermine the government.

MP Daluz sought a meeting with Nilles and Maribao to ascertain their conditions and verify the authenticity of their published confessions.

Brig. Gen. Renato A. Ecarma, RUC and Recom 7 commander, granted the meeting after having secured the approval of both Nilles and Maribao.

Nilles selected a group of newsmen to be invited to the dialog.

Non-Believer

In a private conversation with MP Daluz, Nilles was reported by the member of parliament herself that he does not believe in communism.

Nilles admitted that he does not believe in communism during the dialogue with his colleagues.

However, he refused to explain why he was deeply involved in the underground movement when he did not believe in its ideology.

This connects logically with a National Intelligence and Security Authority (NISA) press release in Manila which stated that it has to sacrifice one of its agents to prosecute those suspected of having infiltrated the media in Cebu and those linked with the killing of Villordon.

Agent

The NISA press release obtained by SUN STAR DAILY stated that its agent has signed a legally sworn statement before the Cebu City Fiscal, citing the names of those involved in the underground movement.

MP Daluz said her impression on the statements made by Nilles during their private talk is that he was "very protective of the military" and he sustained the military line.

Nilles and Maribao assured everybody during the dialog that all the statements they made before the military were of their own free will and volition.

Letter

"I can only wish that Angel Libre Sr. is here because he was the one who started this all as early as the middle of August," Nilles said.

"He read to me a letter coming from his son who is a top personality of the CPP-NPA Mindanao Commission," Nilles said.

"According to the letter, we are subjects for liquidation by the sparrow unit for failing to achieve our mission here in Cebu," Nilles added.

"For fear of our lives and the lives of the members of our families and inspired by the assurance of Defense Minister Juan Ponce Enrile before the National Press Club (NPC) here that our rights will be protected, we decided to seek the protection of the military," Nilles said.

Ready

According to Nilles, the military is treating them and their family well but he can not disclose where they are staying for security reasons.

He said they are ready to be brought behind bars anytimes the order for their arrest is served in connection with their involvement in the killing of Villordon.

Nilles refused to comment much about their statements implicating other mediamen with the underground movement.

Nilles and Maribao also refused to elucidate certain matter about their involvement with the CPP-NPA. They said they will talk in due times and in the proper forum.

They pledged to speak only on the truth of their involvement in the movement and what they know about other persons similarly involved.

CSO: 4200/42

PHILIPPINES

EX-REBEL ON NPA AGRICULTURE PLAN, GOVERNMENT INFILTRATION

Manila BULLETIN TODAY in English 15 Sep p 1, 12

[Article by Jen L. Jorvina]

[Text] Naga City--An agriculture graduate turned rebel commander has revealed here that the New People's Army (NPA) has already infiltrated some government agencies in Southern Luzon and Bicol.

The rebel, who recently surrendered to the Constabulary command in Camarines Sur, said that the NPA exploited his expertise in agriculture after his graduation from college in 1980.

He said that he surrendered to the military in order to lead a peaceful life. He said he could no longer bear the ordeal of living in the mountain since he joined the NPA in 1980.

Constantino Salvador III, 31, an agriculture graduate from Republic Colleges in Guinobatan, Albay, said that the NPA made him do feasibility studies on goat raising and animal dispersal programs in various barangays to raise funds for the dissident movement, aside from the taxes collected from the rural folk.

In an interview on radio station DWNW of Naga, Salvador said he was the commanding officer of a group called "mala-legal na pangat" because some of them were employed in government agencies, like Ministry of Agriculture and Food (MAF) and National Food Authority (NFA).

He said that 20 percent of the proceeds from their goat raising and carabao dispersal programs went to the Central Committee of the Communist Party of the Philippines (CPP) while the rest went to the NPA regional command in Oas, Albay, and to various barangays.

Asked why he surrendered, Salvador said he needed a stable job after realizing that the NPA had not provided financial assistance to his family.

He said he has three children living with his wife in Albay.

He said that the rebels in Bicol have been getting financial aid from foreign countries. Sometimes he said, the NPA received financial aid ranging from P 55,000 to P 70,000.

Muslim traders from Mindanao also delivered 15 AK-47 and two AK-50 rifles, but 10 AK-47 Armalite rifles were already seized by the government, Salvador said.

CSO: 4200/42

PHILIPPINES

CORY AQUINO MUM ON CANDIDACY, URGES TROOPS OBEY PEOPLE

Bangkok BANGKOK POST in English 23 Sep 85 p 4

[Article by Surin Pitsuwan: "Aquino Riding the Political Wave Toward Malacanang"]

[Text] President Ferdinand Marcos will have to be forced out of his office by the Filipino people if they want a change in the national leadership, Mrs Corazon Aquino told the BANGKOK POST in an exclusive interview in her Manila office last week.

"I believe that Marcos will not voluntarily leave the scene. And if the Filipino people want to get rid of this regime, they may have to be forced to resort to physical forces," said the widow of the late Senator Benigno Aquino.

Commenting on the increasing political violence around the country and the rising influence of the New People's Army (NPA), the military arm of the Communist Party of the Philippines, Mrs Aquino said: "The longer Marcos stays in office the greater attraction the Filipino people feel about the Communist Party."

She expressed concern about the deteriorating security situation in the countryside where daily killings are on the rise. One opposition member of Parliament from Mindanao, Homobono Adaza, was quoted recently in ASIAWEEK that "the organisational growth of the NPA's in Mindanao is not just arithmetical, it's geometric." He claimed that in one city, Davao, "the invisible (NPA) government is already in place."

To stem the rise of the communist influence, Mrs Aquino suggested that a moderate leadership must be installed in place of Marcos. When asked if it was still possible for a more right-wing military-type leader to emerge, she said the prospect was frightening but still "possible."

Her comments came amidst reports that the Philippine armed forces were being put on full alert in anticipation of a possible political violence during the past weekend, the 13th anniversary of the imposition of martial law by President Marcos, lifted in 1981 after nearly nine years. Rumours were also ripe that some of the military leaders could stage a rebellion against the present government. An anti-coup squad was reportedly put together.

When asked if the Americans were pressuring Marcos to modify his leadership and liberalise his regime as widely reported in the Manila Press currently, Mrs Aquino said: "I believe the process has begun. Obviously the Americans have to do something." She declined to elaborate.

A pro-government daily, BULLETIN TODAY claimed in its signed editorial commentary on Thursday that "the United States...is now engaged in a massive destabilisation drive against the Philippine Government."

Mrs Aquino also said that the opposition is more united now than ever before. "We will all unite behind one candidate when the time comes. We are all agreed that our presidential candidate will not be announced until Mr Marcos announces his own candidacy and the election date."

There is much talk within the Manila political circles that Mrs Aquino herself will be drafted as the opposition's candidate. But she reserved her comment on the issue, claiming that "I do not seek any political office."

Would she accept the draft, if the consensus is reached among the opposition leaders that she should be their standard bearer? "It is pointless to answer that hypothetical question now," she evaded the question with her characteristic smile.

Observers believe, however, that she would be available when the time comes and it is clear that only Corazon Aquino could unite the traditionally fragmented Philippine Opposition. "She also sees a strategic value in keeping the issue alive by neither denying nor confirming the speculation on her political plans. She keeps Mr Marcos guessing too," said a diplomatic source.

Since her husband's assassination on August 21, 1983, "Cory", as Mrs Aquino is fondly called by her Filipino and foreign admirers, has been at the centre stage of the opposition movement against the Marcos regime. "Since my husband's death, more and more people are becoming vocal and determined to remove Mr Marcos and his people from power." Cory Aquino has been regarded as the most unifying symbol of that growing wave of opposition.

Speculations in Manila these days are that President Marcos, who is serving a six-year renewable term he won in a 1981 election, would not wait until June 1987 to call a presidential election. The nation's economy is in a nose dive. International pressures, from financial institutions and other creditors, keep increasing. And the internal security issue is becoming a serious political issue. As MP Adaza pointed out recently: "The Americans will be hard put to continue supporting him if he does not secure a new mandate."

Many here think that Marcos would resign and, thus, causes an early election before the gathering opposition could agree on its candidates and work out the campaign strategies. "Marcos does everything with a surprise attack," claimed another opposition MP, Eva Estrada Kalaw, recently.

With a view to an early election, Cory Aquino is working hard on two fronts. She wants all presidential contenders on the opposition side to refrain from announcing their candidacy. She also wants to prepare the field for her own political harvest if and when the time comes for her to plunge in as a presidential candidate.

With the popular and well-respected former Supreme Court judge Cecilia Munoz Palma, now an MP from Quezon City, Mrs Aquino organised a task force called the "Convenor Group" to spearhead the candidate search efforts. The group has tried successfully to coordinate various camps of presidential aspirants and keep the lines of communication open among them.

In her own effort to keep the Filipinos politically poised for the final verdict upon the Marcos regime, Cory Aquino misses no opportunity to work the crowds. At a rally commemorating the imposition of martial law on Saturday, she challenged combat-ready troops that they should obey the people instead of taking orders from Malacanang Palace. "Tell him you will no longer obey his orders because of his excesses," she cried out.

Observers here agree that even though Cory Aquino is still undecided about her own candidacy, she is nevertheless manoeuvring herself into a vantage position where she can best take on Mr Marcos one on one.

She is enjoying the lime light and counts herself lucky for the sympathy and support of an influential sector of the Philippine business community and the Catholic Church. She is charged with a sense of mission. She is riding the crest of a political wave moving toward Malacanang. She is regarded as a legitimate bearer of the torch of opposition once borne by her late husband, Sen Benigno Aquino. Only time will tell whether that torch will ignite his hopes and dreams into reality.

CSO: 4200/42

PHILIPPINES

FIRST LADY RALLIES YOUTH ON IDEOLOGY

Manila BULLETIN TODAY in English 16 Sep 85 pp 1, 17

[Article by Jose De Vera]

[Text] The First Lady, Imelda R. Marcos, has rallied citizen military training (CMT) units to defend the Filipino ideology against certain sectors that seek political power "not only by force of arms, but also by means of alien ideas."

Speaking before the Corps of Commanders and Corps Sponsors Association at the Army and Navy Club last Saturday, Mrs. Marcos said that "there are dubious, wily, and sophisticated enemies who threaten the struggle for freedom, justice and democracy" by force of arms and ideas.

These sectors, she said, are directing their effort, especially at the youth, in order to "mislead them into espousing a godless ideology alien to the tradition, history, and aspirations of the Filipino people."

While these persons have identified themselves with the search for the common good of the masses, Mrs. Marcos said they have, in fact, espoused the belief of achieving power through force.

"In their selfish search for power, they have sown confusion and division in society," she stressed.

The First Lady expressed hope that the association would become active and productive, particularly in helping resolve problems and realizing the aspirations of Metro Manila citizens.

The group, representing some 140,000 CMT cadets and cadettes from 152 colleges and universities in Metro Manila, was organized early this year to promote camaraderie and esprit d'corps among CMT officers and their sponsors.

Mrs. Marcos said the association could help the Metro Manila Commission (MMC) in creating a conducive "city of man" through self-help and self-reliance.

"The tenets of the Filipino ideology have been put into use by the development of the city of man through self-reliance where man can find enduring progress," she explained.

She noted that the CMT has helped individuals learn the skills and attitudes necessary to ward off threats to freedom and security in the country.

Mrs. Marcos said that the self-reliance policy of the government was given credence by the United Nations' Convention on the Role of Women when the assembly opted for self-reliance as basis for resolving conflicts among women in member-nations.

"After years of deliberations in the search for answers to problems on the inequality and discriminations against women," Mrs. Marcos said, "self-reliance was found to be the answer."

This posture, adopted by the world body, has affirmed the policy of the Philippine government, she said.

The Philippine delegation that attended the UN women's conference at Nairobi, Kenya, led by Member of Parliament Helena Benitez, is expected to submit its reports and recommendations to the President shortly.

"While the role of men is to be strong, it is the role of the Filipina women to be the symbol of the good and the beautiful, the First Lady said.

Recounting the story of Malakas and Maganda, the first mythical Filipino man and woman, Mrs. Marcos said: "Let us not be in competition with the men, but let us complement their strength with beauty."

Mrs. Marcos said the present crop of CMT officers and their sponsors should emulate the traits of Malakas and Maganda and their commitment to do good for the people.

CSO: 4200/42

PHILIPPINES

PAPER REPORTS U.S. \$10 BILLION CAPITAL FLIGHT TO HONG KONG

Kuala Lumpur NEW STRAITS TIMES in English 23 Aug 85 p 17

[Article by Rita Gomez: "Hong Kong: A Haven for 'Hot' Filipino Cash"; "Report Claims about \$24.4b Left Manila"]

[Text]

HONG KONG: Hong Kong is being used as a laundry for untold millions of dollars of secret funds controlled by high officials and influential businessmen in the Philippines, a leading Hong Kong newspaper claimed today.

The clandestine trail starts in Manila where wealthy Filipinos including close associates of President Marcos are seeking a safe haven for assets threatened by depression and political instability.

The South China Morning Post (SCMP), in an exclusive investigation, said Hong Kong is the next port of call for illicit money smuggled out of the Philippines in the face of the Central Bank's prohibition of capital exports.

A tangled web of shell companies and nominee holdings here disguises the ultimate ownership of funds destined to be stowed away in safety in Swiss bank accounts or real estate in the United States.

The SCMP discovered several companies with American real estate holdings linked to influential Filipinos and Philippine organisations registered in Hong Kong records.

The paper lists the big names as that of Energy Minister Gerónimo Velasco, Mr Marcos' asso-

ciate Rudolfo Cuenca, Manila-linked military dealer Amworld and the Philippine First Lady's private secretary, Ms Vilma Bautista.

Mr Velasco offered to resign over Press reports that he owned property in the US but President Marcos turned down his offer.

Mr Cuenca, who heads the Construction and Development Corporation of the Philippines, is also said to own residential property in San Francisco.

Amworld is a Philippine-related dealer in military equipment under investigation by the US Justice Department and the Pentagon.

Controls

Incorporated in California, it was awarded the major part of a US\$38 million (about M\$88.4 million) contract to provide military communications equipment to the Philippines in 1982 by the Chief of Staff of the Armed Forces, General Fabian Ver, a close friend of President Marcos who is now on trial for alleged involvement in the Aquino assassination.

The SCMP estimates that the US\$10 billion (about M\$24.4 billion) which had left the Philippines in recent years has passed through Hong

Kong. The flood of funds takes the form of under valued exports, secret bank transfers, suitcases full of cash and the "Chinatown connection."

The money has two sources, the paper says — legitimate Filipino businessmen who are worried about the political and economic future of their country and corrupt officials who are looking for a hiding place for ill-gotten gains.

The flight of hidden wealth is generally illegal in either case because of Central Bank regulations which prohibit exports of capital.

For that reason, the SCMP says Hong Kong is a favourite first port of call for funds belonging to top officials and high-level Marcos associates who take advantage of the lack of foreign exchange controls, the ease of setting up companies and loose disclosure rules in Hong Kong.

Therefore, Philippine officials use Hong Kong lawyers and accountants to set up shell companies using nominee shareholders and directors can disguise the ultimate ownership of his assets. But the funds rarely stay in

Hong Kong for long, they are moved to the US.

Hong Kong plays a vital role for people who need to cover their tracks. They can set up Hong Kong companies and invest in the US very easily.

Some prefer to smuggle greenbacks in suitcases and fly out of Manila Airport to Hong Kong's Kaitak Airport. Last year four Filipinos reported that they had been robbed at Kaitak Airport after getting off the plane. The total loss was more than half-a-million US dollars.

The SCMP also points out that the most important custodian of the cash pipeline is what is called "the central bank of Binondo" — a black market operation run by a group of Filipino-Chinese businessmen in Binondo, Manila's Chinatown.

All you have to do, the paper says, is bring your pesos to an unpretentious office in Chinatown and tell them you have 100,000 pesos you want converted into dollars.

They will give you a card and you can collect your cash in Hong Kong, sources told the SCMP.

PHILIPPINES

PAPER SUMMARIZES DIFFICULTIES OF NUCLEAR PLANT

Bangkok BANGKOK POST in English 22 Sep 85 p 7

[Article by Alan C. Robles: "Marcos Learns How Not To Build a Nuclear Plant"]

[Text] Though the Philippines has yet to split a single atom, its recently completed nuclear power plant has already set off a chain reaction of controversy and protest.

The US\$2 billion, 620-megawatt installation currently stands idle. Guerrillas have blown up pylons linked to it, while critics question its safety features, its cost and the Marcos Government's decision to build it.

This concern has led to public hearings which could last until next year and will determine whether the Philippine Atomic Energy Commission (PAEC) grants an operating licence to the plant's owners, the National Power Corp (Napocor).

If even half its detractors' claims are true, the Westinghouse-built Philippine Nuclear Power Plant (PNPP-1)--the first in Southeast Asia--is an outstanding example of how not to build a reactor.

They say it is already obsolescent, required thousands of modifications during construction and could trigger a disaster. Completion was two years behind schedule, and it cost almost twice the original estimate.

Built at Napot Point on the Bataan Peninsula, about 175 km from Manila, it is on the slopes of two dormant volcanoes in an earthquake zone that is susceptible to flooding and soil erosion. It faces the South China Sea and could be vulnerable to tidal waves.

Napocor denies the charges, arguing that the modifications were minor and the construction delay was triggered by the Three Mile Island disaster in the United States rather than local factors. They say the delay caused the cost increases and claim that everyday switching-on is postponed costs the country \$355,000 in interest charges.

The plant's proponents also insist that the site was carefully chosen after years of study, that it can withstand earthquakes reading 7.9 on the Richter scale (enough to flatten most of Manila), that at 18 metres sealevel it is beyond the reach of tidal waves and that there hasn't been a volcano eruption in 50,000 years.

The plant can generate enough electricity to meet 15 percent of the power needs of Luzon, the country's largest island. Company ads argue that a single uranium pellet is equivalent to the energy obtained from 1,780 lb of coal, 149 gallons of oil or 157 gallons of gas.

In fact, it was the 1970s oil crisis and the spectre of an energy crunch which pushed the Government seriously to consider the atomic alternative in the first place.

Feasibility studies and site surveys were made from 1972 to 1974 and a plan drawn up to build two 620-MW plants in Bataan. A contract between Napocor and Westinghouse for the first was signed in 1976, with construction to last from 1978 to 1983.

Napocor has steadfastly refused to published the contract, despite charges of irregularities. Critics have asked why the Government chose the single Westinghouse reactor at \$1.2 billion when General Electric had proposed two reactors for \$500 million each.

Napocor says the GE models were boiling-water reactors, while Westinghouse's is a pressurised water reactor. The PNPP-1 generates electricity through a double-loop system, using nuclear fission to heat pressurised water, then utilising the heat to transform surrounding water into steam to run a generator.

Before winning the contract, Westinghouse paid a reported \$35 million in commissions to Herminio Disini, a relative and golfing partner of President Ferdinand Marcos.

The PNPP-1 is actually a 1973 model already turned down by several countries. There is no working model of a similar plant, the reference design originating with a plant planned but never built in Puerto Rico.

Westinghouse was reportedly refused an export licence because of US Nuclear Regulatory Commission (NRC) questions about its safety. The company sued the NRC and the State Department, but Manila sidestepped the problem by assuming responsibility for the plant's safety.

After the Three Mile Island incident, 90 additional safeguards were called for in the PNPP-1, but only 51 were put into effect; 17 were resolved "through alternative methods" and the remaining 22 have not been mentioned since.

Among defects brought to light at the PAEC hearings are inadequate fire protection measures, faulty radiation protection equipment, unshielded high-voltage cables, hairline cracks in the structure, water seepage and missing coding systems documentation and terminal instructions.

The plant's opponents also told the hearings that bolts holding steam, water coolant and electrical systems are "weak."

Napocor and Westinghouse contest the claims. They point out that the reactor's core is in a vessel with 6.63-inch steel walls, protected by a 1.5-inch steel shell, encased in a concrete cover 39.37 inches thick.

Insisted one scientist: "not even a four-engine jet plane crashing on the reactor vessel could dent it."

The problem of how to store radioactive wastes has yet to be solved. One PAEC official says a pit built for it can provide only "interim storage" for 10-20 years.

Another problem is the shortage of engineers to staff the reactor. At Three Mile Island, nuclear scientists had to be consulted on an emergency basis; if the PNPP-1 suffered a similar "incident," consultants would have to be flown in from outside. The time involved would be crucial.

Napocor's assurances have had little impact on public opinion. In June, more than 15,000 people from nine Bataan towns as well as Manila staged mass demonstrations and attempted to seal off all roads to PNPP-1. Authorities called out troops and armoured vehicles, though nobody was hurt.

A plebiscite on the reactor was to be held in Bataan but was called off on the grounds that residents did not understand nuclear technology. Attitudes are clear, though: when nobody turned up for a mass evacuation exercise last month, it was interpreted as a sign of unwillingness to have anything to do with the plan.

Other forms of protest have been more forceful. Within a five-week period, 29 of the 104 power transmission pylons leading from PNPP-1 were destroyed.

Authorities blamed the communist New People's Army or disgruntled contractors. Soldiers are now guarding the remaining towers, as well as the plant itself.

Marcos has promised to enforce whatever decision the PAEC makes. The hearings, however, have been somewhat one-sided; critics walked out when the PAEC refused to treat economic viability as a pertinent issue and denied them the chance to question Westinghouse officials.

To date, the hearings have dealt only with Napocor's position, with one official representing both the PAEC and Napocor.

Even if it does receive approval, the plant can only meet 2-4 percent of the Philippines' total energy requirement, and the Government has admitted that it may have been too hasty in plunging into nuclear energy.

Said Minister of Energy Geronimo Velasco: "If we had known in 1974 what we know now about our country's geothermal and coal assets, we would never have gone ahead with the nuclear plant."

The price for this hindsight seems to have been pretty stiff.--Gemini

THAILAND

ANALYSIS OF KEY PLAYERS IN COUP TRY CONTINUES

Athit Aide Colonel 'Hank' Reaction

Bangkok NAEQ NA in Thai 13 Sep 85 pp 1, 2

[Article: "Hank Not Afraid of Rumors"]

[Text] Col Phiraphong Sapphakphisut, the deputy commander of the 1st Royal Engineers Regiment and the acting commander of the 1st Royal Guards Engineers Battalion, was interviewed by a NAEQ NA reporter at the headquarters of the 1st Royal Guards Engineers Battalion. The reporter asked why he had been selected to negotiate with Col Manun Rupkhachon, the leader of the rebellion. He replied that Lt Gen Phichit Kunlawanit, the commanding general of the 1st Army Area, had proposed this at a meeting. Since his superior officer had ordered this, he had to obey. The reporter asked about the problems during the negotiations. 'Hank' replied that "at first, I reported to Gen Thienchai and Lt Gen Phichit since they are my direct superiors. After Gen Athit Kamlangek, the supreme commander and RTA CINC, returned to Thailand, I reported to him immediately. I not in a position to discuss the details with you. If you want to learn the details, you can ask those three men."

The reporter asked about the statement made by Mr Ekkayut Anchanbut, who said that 'Hank' had participated in the rebellion by controlling the Thonburi side. And now there are rumors that he will be arrested. Col Phiraphong sat quietly for a moment and then said that "I do not want to answer that question. It would be better not to answer that." The reporter said that this rumor seemed to be true. "Hank" sat a moment and then said, "Is that right?" He then sat quietly for awhile before saying, "I am confident that nothing will happen to me." He refused to answer any more questions and said that he had to get back to work.

Bangkok MATICHON in Thai 16 Sep 85 p 3

[Interview with Lt Col Sanan Khachonprasat, a Democrat Party MP from Phichit Province and a coup maker on 26 March 1977; data and place not specified]

[Excerpts] [Question] Would you give us your views on the attempted coup on 9 September?

[Answer] I did not think that there would be a coup. And I never thought that Col Manun Rupkhachon would be involved. He is no longer in the military and does not control any military units. I am surprised that he has been named as the perpetrator of this. I never thought that there would be another coup. We have been building democracy for more than 6 years now, and I thought that democracy would survive. I was shocked when I heard the news that morning. I tried to follow matters and find out who was involved.

[Question] The infantry is the key to seizing control, isn't it?

[Answer] It takes infantry, cavalry and artillery. There must be infantry and support units. Things are different from before, when an announcement by the military was enough to stage a successful coup. In recent years, there have been several unsuccessful coup attempts because of the great opposition. This is because today, soldiers can't get everyone to support them. Some people don't agree. Democracy is gaining widespread acceptance. Most soldiers are in favor of democracy and do not agree with staging coups. There is not just one group like before. Then, if the RTA CINC announced a coup, everyone in the army was ready to support him. But now, that is no longer possible.

[Question] Would you compare this coup with the coup of 26 March in which you participated?

[Answer] They are very dissimilar. I staged a coup in the interests of democracy. It was aimed against the dictatorship. It is well known that the "Shell" government [the administration of Thanin Kraiwichien] came to power as a result of a coup d'etat, although it called this a reform, and that it was a dictatorial government. Our aim was to overthrow this dictatorial government. One difference is that my soldiers did not come forward as part of some conspiracy. The people responsible were not performing their duties. Nothing was being accomplished. But they still managed to control everything.

[Question] Wasn't the same true of 9 September, that is, it wasn't a "conspiracy?"

[Answer] We don't know what the facts are. But I don't think that a person like Col Manun would have taken this risky step using force only. I don't know whether there was a conspiracy.

[Question] Do you think the coup of 9 September was prearranged?

[Answer] Staging a coup d'etat is risky. You might be imprisoned or even be killed. It is very risky. Thus, whoever intends to stage a coup must make plans. Things must be well prepared. The advantages and disadvantages and the chance of succeeding must be weighed before making a decision.

[Question] What things must be considered?

[Answer] If preparations aren't made, military units won't move in support of the coup. You have to prepare units and determine how they will be moved and which points they will seize. The units and officers have to know what their duties are. Even officers who are no longer on active duty have to wear uniforms. These are the preparations that have to be made.

I doubt that Col Manun would have dared to stage a coup with such a small number of men. There are past lessons. The 1 April coup attempt failed even though Col Manun then had the support of 42 battalions. This time, he had only 500-600 men. Thus, the coup was doomed. But I don't know whether there was a conspiracy or not.

[Question] What is Col Manun like?

[Answer] He is a good man. He is intelligent. In the field of military science, he was in the top ten at the Armed Forces Staff College.

[Question] There are rumors that there was a betrayal among those who planned the coup. What do you think?

[Answer] As I said, it's unlikely that anyone would have launched a coup with such a small force. Thus, it's likely that there is more to this than we now know.

[Question] Whom do you think the "unnamed man" is?

[Answer] I just know what I have read in the newspapers. I have not met Manun recently. It's hard to guess. The press probably knows more than I do. Several newspapers have written the same thing.

[Question] There are rumors that two senior officers and the younger brother of Col Manun owned shares in the Charter share fund of Mr Ekkayut Anchanbut. Do you think that there was any connection between the share fund matter and the coup?

[Answer] All I know is what I have read in the newspapers. If that is true, then there is probably a connection. Financiers were probably involved in an attempt to maintain their power.

After the fact, we can now look back and see that the protest by railroad workers was probably connected to this. They were creating a situation. This was probably part of the preparations.

[Question] What do you think of the claims made by the coup faction?

[Answer] They talked about the economy. They said that the government can't solve the problems. Nothing is lost by looking into this. Their good points can be put to use. Some of what they said makes sense. But the economic problems can't be solved by staging a coup. They must be solved using the parliamentary process. The government should pay attention and take action.

[Question] What is the real reason they staged a coup?

[Answer] They claimed that they took this action in order to solve the problems. But another reason was probably the loss of profits or the desire to play a political role in order to do what they wanted. Both of these reasons probably played a part.

[Question] Did the retired officers participate in the coup of their own accord or were they forced to participate?

[Answer] I don't know what the truth is. The newspapers have said that they did so voluntarily and that they put on uniforms and issued orders. Most people think that they participated in this voluntarily. But we must wait and see what the police learn from their investigation. We probably don't know the whole truth. Some people may have been forced while others may have joined voluntarily. The government must treat the senior and junior people alike. Those who are guilty must all receive the same punishment. The senior people can't be pardoned while the junior people are punished. This must be investigated as quickly as possible. Whoever was involved must be arrested.

[Question] What do you think about the fact that Col Manun was allowed to go to Singapore?

[Answer] That happened too fast. I don't know what agreement was reached. That was different from 26 March. At that time, they said that he would be allowed to go to Taiwan. But after the rebels laid down their weapons, he was betrayed and arrested as he was boarding the airplane. Actually, I am happy that they kept their promise. But I don't know what agreement was reached.

[Question] Should you compare the 9 September coup with the two previous coups, that is the 26 March and 1-3 April coups?

[Answer] In the case of the 26 March coup, we stressed maintaining secrecy. No one knew about this before we moved our forces into place. The situation was different. On 26 March, the people supported us. At that time, the Shell government used its powers illegally. We had a mass base and did things

according to plan. But one weakness was personnel. That is, people did not arrive as arranged. Certain tasks were not carried out.

As for the 1 April coup, 42 battalions were used. That was the largest force ever used to stage a coup. If they had really been resolute in staging the coup, they could have succeeded. But their plan was not good. They were

careless. They did not think that anyone would oppose them. And so when they met some resistance, they gave up. This time, their forces were too small. Only a few officers joined them. This is a very strange matter. It is very different. There must be good plans. As I mentioned above, you have to seize the important points.

The important thing is to have a good reason for staging a coup. There must be solidarity among the coup makers. But I think that the time for coups is past. The problems must be solved through the parliamentary process in a democratic system. If the MPs aren't any good, dissolve parliament and elect new ones. If the government is not good, change it. Seizing power should be a thing of the past.

[Question] It's strange that there were few senior officers among the coup makers.

[Answer] It seems very strange that retired officers were the leaders of the revolutionary council. This will have to be investigated in great depth. There was no way that they could succeed. They may have been used to provide cover. But if they really were the leaders, there is no way that they could have succeeded. In particular, there is no way that a coup led by Gen Soem Na Nakhon could have succeeded.

[Question] Gen Yot Thephatsadin and Gen Kriangsak Chamanan are both old soldiers. Both were staff officers. Why would they decide to participate when their forces were so small?

[Answer] That is worth considering. Why would these people take such a risk with such small forces? They may have been told that other forces would participate but then changes were made. Or perhaps people did not join in as agreed on.

This will have a great effect on the government. Its programs will be affected. This will have a very strong effect on foreigners. We are not a Latin American country that has coups all the time. This must stop. People were killed, and this has frightened foreigners. The government must conduct a thorough investigation. This will have a very negative impact.

[Question] The government will probably have to reshuffle people in the government prior to 1987.

[Answer] An investigation must be conducted. If people were involved, they must leave the government. The government will probably have to reshuffle the cabinet. Not only were people dissatisfied with the government, but cabinet members apparently participated in the coup. There will definitely have to be a reshuffle if they were involved. But there is no reason to dissolve parliament. MPs have not opposed the government using illegal means.

[Question] What made the coup group use their weapons?

[Answer] I think they did so because the 1st Division radio station refused to surrender. They had to stop it from broadcasting. As for firing at the

headquarters of the 1st Division, they probably traded shots. That should not have happened. Someone could have been sent in to ask those inside to surrender. It wasn't necessary to use tank tank guns to fire at the radio antennas. They could have used machine guns. I disapprove of this bloodshed. People were killed, and soldiers were wounded.

[Question] A tank battle erupted between the coup forces and forces of the 1st Division. This occurred right in front of the headquarters of the Bangkok Peacekeeping Command, but the Peacekeeping Command did not take any action. Why not?

[Answer] There was a great disparity in weapons power. The infantrymen became frightened when they saw the tanks. M16s are no match for a tank. The guns of the M41 tank are very powerful. Their recoilless rifles were no match for the tanks.

[Question] What do you think about the military plans used by the two sides?

[Answer] The coup group acted too quickly. For example, there should not have been any bloodshed at the radio station. If the tanks had just formed a blockade, it would have been difficult for the government to have cleared the area. But the government sent forces to take back the radio station. And it did not think that the coup forces were very strong. It felt that it could retake the station by nightfall. And so when forces were sent there, there was bound to be fighting and bloodshed.

[Question] In an interview, Mr Phichet Sathirachawan said that the division of responsibilities in Bangkok Metropolitan during the coup clearly shows who was involved. What do you think?

[Answer] The police must conduct an investigation. Unit commanders must be interrogated. All those involved must be questioned in order to learn the facts and find out what really happened. It all depends on whether an investigation is conducted. The circle of those involved probably won't expand very much. In Bangkok, who was involved, and which political soldiers were involved? We can probably find out.

I don't know what action the government will take against them. That depends on how resolute the government is and on the results of the investigation. Time will tell. We will know soon. The truth will come out.

[Question] What affect will this have on the military? Will it lose face?

[Answer] Definitely. The coup failed. There was no unity. This shows that things are different from before. They could not control all the units, even though they were all army personnel. But this is good for the democratic faction. And it's good that many soldiers support democracy. For example, Gen Thienchai has stated that changes must be made in parliament. That is a very democratic attitude.

This was a very strong lesson. Those who are thinking about staging a coup have to realize that that is not easy to do. This will also provide a lesson

for junior officers. Because if senior officers order them to do something that is illegal, they will be the ones who are punished. At present, NCOs and junior officers have been jailed. This shows that generals aren't imprisoned. It's the field-grade officers and NCOs who are punished. In the future, junior officers will not want to get involved.

Column Questions Phichit, Ringleaders Roles

Bangkok MATICHON in Thai 17 Sep 85 p 5

[Play and Laugh column by Thinwat Marukphithak: "Revealing the Identity of the 'Hooded Man'"]

[Excerpt] I am becoming worried about the position of the government, the Bangkok Peacekeeping Command, the national army and the Police Department. If this matter is allowed to fester and the people's questions are not answered more satisfactorily, who will have confidence in the ability of these institutions to protect the lives and property of the people? Who will comfort the people and assure them that their leaders will look after them properly based on their position and basic rights?

Some of the questions still bothering the people are:

How could such a small group of soldiers dare to stage a coup d'etat?

Col Manun Rupkhachon staged the 1-3 April coup, which lasted for 3 days. That coup attempt was much better organized. Why was this coup so unorganized? It lasted only 10 hours.

How did the "seven generals" become involved with the coup forces? They are all experienced people (civilians are called "khieu lak din"). Some of them have participated in three or four previous coups. They have never taken a wrong step. They say that they were forced to participate. But that is an old excuse. There is something strange about this whole matter that does not make sense. If they really did join the coup group, it means that they thought that they could win. And there had to be something to give them such assurance.

Why would a person such as Gen Kriangsak Chamanan do something like that? He has already held all the important administrative and military positions. He served as the prime minister and has held several important ministerial posts. In the military, he served as the RTA CINC and as the supreme commander. In the field of democratic politics, he was an MP and the leader of a political party in the government coalition.

Retired officers do not have the authority to issue any orders. How could they have ordered 22 tanks to go into action? Tanks are not small vehicles. They are not plastic toys.

The Revolutionary Council chose 9 September 1985 as "D Day." In one way, that was a very clever choice since the government was very "weak" that day. The most important people in the government and military were all abroad on

official business. But the coup still failed. This shows that something went wrong. But what? There are many other questions, too.

But the most important question and the key to answering the other questions is, Who was behind this coup attempt?

All the "bigs," including Yot, Soem, Kriangsak, Praphan, Krasae and Arun, deny that they were behind this. They all claim that they were forced to participate.

Col Manun was allegedly the leader of this coup. But observers are not sure about this. He had returned to the country only a short time before. How could he have planned the coup? "Big Share" (Ekkayut Anchanbut) knows more about this than others. It's doubtful that Col Manun Rupkhachon was "Big Nun." It's more likely that he is "Scapegoat Nun."

Many people feel that "Big Sua" [Lt Gen Phichit Kunlawanit--FBIS] many have been involved in this from the very start but that he later "changed his mind" about supporting the rebels. But these rumors were later squelched by "Big Sun" [Gen Athit--FBIS]

No one dares face the truth. Everyone is keeping quiet. No action is being taken since friends are involved. People have "sewed their mouths shut." Because of this, I feel compelled to speak out. People should dare to take action. What is there to be afraid of? We will all die eventually.

Here, I want to reveal that the "hooded man" behind this coup attempt was none other than "Big Mong."

Bangkok MATICHON in Thai 15 Sep 85 p 3

[Cartoon by Mun Tun]



[Text] Caption: The gun that Manat Rupkhachon used to threaten the seven generals.

28 October 1985

Bangkok MATICHON in Thai 12 Sep 85 p 3

[Article: "In the Wake of the Attempted Coup, the Smell of Smoke Is Still Everywhere"]

[Text] The "9 September Rebellion" is over. And now that the smoke has begun to clear, the facts about what happened are becoming clearer.

Some news sources close to the military have said that this Revolutionary Council had in fact been active for several months. Initially, two former military leaders of senior rank held an unofficial meeting. After that, they were joined by politicians and bankrupt businessmen who had been involved in nonformal financial activities. In order to take resolute action, they contacted Col Manun Rupkhachon and asked him to return from the United States.

A news report stated that before D Day, officers who respect Col Manun and a number of civilian officials reached a firm agreement on joining forces in order to reach their goal. They held a meeting until midnight. Shortly before dawn, they moved their forces into position to seize control of the important points according to plan (NAEO NA, 11 September).

Besides seizing government positions, another important task of the coup makers was to "invite" important officers to join them. Gen Kriangsak Chamanan told Mr Op Wasurat that he had been forced to join the coup makers that morning. Twenty soldiers led by Wing Cdr Manat Rupkhachon arrived at his house in three vehicles. At first, he refused to allow them to enter. But when he saw that he had no other choice, he let them come in.

Gen Kriangsak also told Mr Op that because he had not worn his uniform for a long time, it took him a long time to get dressed. This angered the soldiers who had come with the "invitation" (THAI RAT, 11 September).

Besides Gen Kriangsak Chamanan, several other officers were forced to join the rebellion. Gen Soem Na Nakhon was forced to become the head of the Revolutionary Council. He was forced to read the statement issued by the Revolutionary Council. Gen Yot Thephatsadin Na Ayuthaya was forced to join the headquarters of the Revolutionary Council.

Gen Bunrit Thantharanon, Admiral Supha Khotahaseni and Air Chief Marshal Arun Phromthep, whose office is at the Sua Pa Field, were all forced to join, too.

As for Air Chief Marshal Arun Phromthep, there have been reports that after the radio announced that the rebels had seized power, Air Chief Marshal Arun went to his office as usual and went to see Air Chief Marshal Praphan Thupatemi, who was placed under arrest (NAEO NA, 10 September). Even though several senior officers were placed under arrest, it seems that only Air Chief Marshal Praphan Thupatemi, the RTAF CINC, was held "hostage" for bargaining purposes.

After a Revolutionary Council headquarters was established at Supreme Command Headquarters at the Sua Pa Field, things returned to normal, regardless of whether or not people were forced to act.

Gen Thienchai Sirisamphan stated that "at dawn, I received a telephone call from Gen Yot Thephatsadin Na Ayuthaya and Gen Soem Na Nakhon (THAI RAT, 10 September). He also said that Gen Kriangsak Chamanan had joined the coup group.

In a statement issued at noon, Lt Gen Charuai Wongsayan clearly stated that "of the members of the Revolutionary Council, only two men were really intent on staging a coup. Those two were Gen Yot Thephatsadin Na Ayuthaya and Col Manun Rupkhachon" (THAI RAT, 10 September). This was in line with what Maj Gen Naritdon Detchapradityut, the secretary of the army, said later. He said that the "ringleader in this rebellion was Gen Yot Thephatsadin Na Ayuthaya. The others were all invited, or compelled, to participate (NAEO NA, 11 September).

What is very strange is the statement by Mr Phichet Sathirachawan, the director of the Bangkok Mass Transit Authority, who said that Mr Ekkayut Anchanbut, the godfather of the Charter share fund, had told him that Col Phiraphong Sanphakphisut, or "Hank," was in control of Thonburi. He also told him that the Revolutionary Council had seized control of all television stations and that Gen Kriangsak Chamanan would soon go on Television Channel 3 to explain things to the people (THAI RAT, 12 September). Such statements will definitely blur the role played by the "peace envoys" (the term used by NAEO NA). The "peace envoys" included Lt Gen Phichit Kunlawanit, the commanding general of the 1st Army Area, Col Phiraphong Sanphakphisut, the deputy commander of the 1st Royal Guards Engineers Regiment, and Col Thamarat Yunyong, who drove Col Phiraphong to the Sua Pa Field.

The newspapers that have reported on this in some detail include THAI RAT, NAEO NA and BAN MUANG.

It is thought that an anti-Revolutionary Council headquarters, which was set up at the 11th Royal Infantry Regiment in Bang Khen, was established soon after the Revolutionary Council deployed its forces. Some news sources have confirmed that this occurred around 0400 hours.

Even though Lt Gen Phichit Kunlawanit, the commanding general of the 1st Army Area, which is responsible for the area where this happened, arrived at the headquarters of the 11th Infantry Regiment at 0900 hours (DAO SIAM, 10 Sep), that was in line with the situation.

Gen Thienchai Sirisamphan said that Gen Yot Thephatsadin Na Ayuthaya telephoned the Internal Peacekeeping Command and said that he would not surrender (THAI RAT, 10 September).

At a meeting of the Internal Peacekeeping Command, of which Gen Thienchai Sirisamphan is the director, at the 11th Royal Guards Infantry Regiment, Lt Gen Phichit Kunlawanit proposed that Col Phiraphong Sanphakphisut serve as their representative in the negotiations. Reports say that Lt Gen Chawalit Yongchaiyut opposed this because he was afraid that Col Phiraphong would be in danger or be held hostage. But Col Phiraphong said that the risk had to be taken in order to avoid bloodshed (NAEO NA, 10 September).

Even though it was Lt Gen Phichit who was placed in charge of this, the person who traveled back and forth between the Sua Pa Field and the headquarters of the 1st Army Area was Col Phiraphong. Col Phiraphong went to the Sua Pa Field relying on his close personal relationship with Col Manun. He asked him to think of the king and the country. And in the end, Col Manun agreed to the proposal of the "peace envoy," that is, he agreed to surrender (NAEO NA, 10 September). The same report also said that after that, Lt Gen Phichit sent a vehicle from the 1st Army Area to pick up Col Manun. Gen Soem, Air Chief Marshal Praphan and Air Chief Marshal Arun rode along, too.

There were two rounds of negotiations. In the first round, five members of the Revolutionary Council (Soem, Kriangsak, Yot, Manun and Manat) asked to be allowed to leave the country. But the Internal Peacekeeping Command refused. It wanted to keep at least one person, that is, Gen Soem, who had been coerced into being the leader.

During the second round, four members of the Revolutionary Council, that is, Manun, Manat and two others, asked to leave the country. The Internal Peacekeeping Command approved this (THAI RAT, 11 September).

Another news report stated that when the Revolutionary Council met with Lt Gen Phichit, the conversation was very interesting. Gen Soem, Gen Kriangsak and Gen Yot all denied any knowledge or involvement in this. They said that this had all been Col Manun's idea (NAEO NA, 10 September).

A "senior military" news source said that "this coup was different from every previous coup. That is, no infantrymen participated in the coup. It is thought that the coup makers were betrayed. Because since they had no infantry support, it was very difficult for the coup makers to seize control of various government locations. They had only tanks, which are just used to spread fear" (DAO SIAM, 11 September).

This is in line with a report by a NAEO NA news source, who said that Col Manun realized that he had been tricked just after he seized Supreme Command Headquarters at the Sua Pa Field. The support forces that he had been promised failed to materialize (NAEO NA, 11 September). The question is, Who betrayed him?

Lt Gen Phichit Kunlawanit, in his capacity as a "peace envoy," played a great role behind the scenes. For example, he conducted negotiations and tried to effect a reconciliation between the government faction and the former officers who were dispirited because of having been coerced by the "rebels."

When he returned to Thailand on the morning of 10 September, Gen Athit Kamlangek immediately went to see Lt Gen Phichit and asked him why the Internal Peacekeeping Command had allowed Col Manun to leave the country. The "peace envoy" replied that he had been allowed to leave in return for the safe return of Air Chief Marshal Praphan. He also said that this had been done on the request of the queen, who did not want anyone to harbor a grudge and who wanted everyone to forget this (THAI RAT, 11 September).

Also, Lady Saengduan Na Nakhon and relatives of Gen Yot Na Ayuthaya all said that Lt Gen Phichit Kunlawanit had told Gen Soem Na Nakhong and Gen Yot Na Ayuthaya to be ready since he was going to take them to have an audience with the king at the Taksin Palace (THAI RAT, 11 September, and MATICHON, 11 September).

Several things seem very strange:

1. Col Manun has twice staged a coup d'etat. After this second coup attempt, not only was he not punished, but, according to Col Prachak Sawangchit, a senior officer gave Col Manun \$2,000 (DAO SIAM, 11 September).
2. Three retired officers have been charged with being involved in this rebellion. But someone offered to take them to see the king. Lady Saengduan Na Nakhon has said that her husband was dressed and waiting to go (THAI RAT, 11 September).

Such a thing would definitely not have happened in another country.

Col Manun Said to be Scapegoat

Bangkok MATICHON in Thai 14 Sep 85 p 4

[Pracha Chun Stop Sign column by Sattaya Samanchon: "The 9 September Coup, How Is This to Be Analyzed?"]

[Excerpt] Since the coup attempt, the questions that ordinary people have been asking are, Is it true that only Col Manun and Wing Cdr Manat Rupkhachon and 500 soldiers were involved in this rebellion? Is it true that the retired officers who went to the headquarters of the Revolutionary Council were not really involved in this? And is it true that certain officers who now command forces were not involved in this and knew nothing about this beforehand?

The reports issued both during and after the coup attempt are very confusing and so it is impossible to determine for sure who was actually involved in this. But if we analyze things, there are several points that are very interesting.

1. Is there any chance of 500 soldiers and 22 tanks staging a successful coup without the support of other units, particularly infantry units?
2. Would retired officers participate in a coup without solid assurances?

The answer is that they had hopes of winning. The retired officers who joined the Revolutionary Council are all experienced military men. Without definite assurances, it is very doubtful that they would have participated in something like this since defeat could mean death. An alternative explanation is that they were forced to go Revolutionary Council headquarters. We will have to wait for the results of the investigation before reaching a conclusion.

However, the question is, Which military units were supposed to, or had agreed to, support the coup? Why weren't units ordered to go into action? Or if they

were given orders, why didn't commanders at lower echelons carry out the orders?

Having noted this, it can be seen why this coup failed. The analysis should focus on the possibility that another faction that had agreed to participate in the coup could not do so or had a change of heart after:

1. Orders were given, but subordinates failed to obey.
2. The anti-coup faction succeeded in gathering together such a strong force that the coup forces realized that they could not win.

These points have led many people to feel that Col Manun, who has been named the ringleader, is really the scapegoat. In the end, he is the one who has taken all the blame.

Another point that has been analyzed in great detail is whether this coup was prepared in advance in great secrecy or whether the decision was made on the spur of the moment without advance preparation. Looking at things straightforwardly, the answer seems to be that every action requires advance preparation. The only difference is in the length of the preparations.

While we do not know how much time the coup makers spent preparing for this, it is evident that they did make preparations. The reason for saying this is that their actions proceeded in stages. They moved tanks to the Revolutionary Council headquarters at the Sua Pa Field, sent forces to seize important locations such as the Department of Public Relations, Chitlada Palace, the Communications Authority of Thailand and the Bangkok Mass Transit Authority and sent troops to arrest certain officers on active duty, such as Air Chief Marshal Praphan Thupatemi, the RTAF CINC, and a number of retired officers.

In the course of the coup, 16 statements were issued. Some of these tried to rally the masses, such as unemployed graduates and laborers, and get them to support the coup. A labor leader began speaking from atop a tank, and approximately 1,000 people assembled there. But things came to a sudden halt and people began to waver since some armed forces had not been able to move into position.

As for the people supposedly involved in this coup, from the reports that have appeared, it can be said people in four different groups were involved. Those involved included disgruntled laborers who work for the State Railway of Thailand and the Bangkok Mass Transit Authority, who have ties to certain professional activists; Col Manun, who was unhappy about the failure of the 1 April 1981 coup and who had been relieved of his command, and his younger brother, who was apparently involved with the Charter share fund; retired military officers, some of whom are thought to have been involved with the Charter share fund; and military officers on active duty who were disappointed by the recent military reshuffle. A few politicians in certain political parties were also involved.

11943

CSO: 4207/1

THAILAND

ACADEMICS, MP ON ASEAN COMMON MARKET, U.S. TRADE

Bangkok WIWAT in Thai 3-9 Sep 85 pp 20-25

[Economic Report column: "Japan and the United States and Thailand's Way Out In a 'Trade War'"]

[Excerpt] The conflict between Japan and the United States is becoming very tense. Thailand is still in a very dangerous position because of the Jenkins Bill and other measures, which have been in the news for weeks now. In this issue, WIWAT-ATHIT's Economic Report column will change format in order to obtain the views of academics and politicians on what they consider the problems to be, what the effect of the problems will be and what Thailand can do to get out of this situation.

Dr Witchai Atthakon, the director of the National Institute of Development Administration (NIDA)

[Question] Based on political and economic relations between the United States and Thailand and between Japan and Thailand, which country is friendlier toward Thailand?

[Answer] Many people are sure that both these countries are our friends. Many people, including people in the Thai government, say that the United States is a "great friend" of Thailand. This is something that is said quite often. But as for how true that is, the history of relations between the two countries up to the present time shows how true that is.

Thailand sent many men to fight in the Korean and Vietnam wars. Many Thais were killed in those wars just because the Thai government wanted to act like a friend and help its "great ally" and receive "economic and military help" in return. In the end, the government allowed the United States to establish military bases in our country. They sent aircraft based in our country to bomb Vietnam time and again. This became a psychological wound for Vietnam and for those Americans who wanted peace. This has strained relations between Thailand and Vietnam up to the present. Or take our policy on the Cambodian problem, for example. Thailand bears a heavy burden because of the refugees along the border. Because of the conflict in Indochina, we are afraid to trade with

certain countries. And so Singapore is buying goods from us and selling them to Vietnam. It cannot be denied that we have constantly followed America's lead. Politically, militarily and diplomatically, Thailand has always followed their lead and depended on them. In general, we are not really our "own man." For the last 30 years, I have always wondered who is helping whom. It seems that Thailand, a small and economically inferior country, has constantly helped the United States, which is much bigger and stronger.

The same is true of Japan. We have always suffered a trade and investment disadvantage. Ever since the first development plan, we have negotiated with them, but things have never improved. Our trade deficit has increased continually. Japan has purchased fewer Thai goods than it promised. During the first 5 months of this year, Japan purchased only 7 billion baht worth of goods. They had agreed to purchase more than 20 billion baht worth of goods. The more we trade with Japan, the larger our trade deficit grows. The more we encourage Japan to invest here, the more equipment and technology we have to purchase from them and the larger our debt grows. But very little technology is transferred to Thailand. While Japanese investments in Thailand have helped increase industrial production, this has led to a dependent, or "bound" type of industrial development. In the long term, we will not be able to stand on our own feet. These problems are so well known that Japan has been given a nickname that reflects its negative economic image.

[Question] Some feel that an ASEAN common market will be able to solve the economic problems in this group. What do you think about this?

[Answer] The problem is that no matter how independent the ASEAN countries seem to be in formulating and implementing economic, political and diplomatic policies, when considered from the standpoint of the world system, these countries are all economic and political satellites of the United States and Japan. It was these two countries that exerted pressure to have these countries form ASEAN. Today, the United States and Japan still have much influence on ASEAN's policies and directions.

Thus, how much the formation of an ASEAN common market will help solve the problems depends on how much unity these countries show in solving the problems and on whether they have common goals and dare to stand on their own feet. They must try to reduce and end the economic influence of the great powers, which seek to dominate and exploit things. These countries must find a new national development line. They must resolutely reform their economic and political systems in order to create a truly just and democratic system. Looking at the real situation in the ASEAN countries, it can be seen that it will not be easy to create these factors in the short term.

I think that in the long term, when economic and political relations between the great powers and the Third World countries have become even more unequal and the level of exploitation is even greater, the Third World countries will begin to cooperate with each other more in order to bargain with the large countries and free themselves from their position as satellites.

Dr Prasert Chittiwattanaphong, Faculty of Political Science, Thammasat University

[Question] At the beginning of this year, Dr Mahathir Mohamad, the prime minister of Malaysia, said that the "trade struggle between the United States and Japan and trade protectionism will cause turmoil in Asia and Southeast Asia." What is your view on this?

[Answer] He is probably correct. At present, Southeast Asia is being "pulled" and "fought over" by the economic powers, which hold all the advantages, including information, technology, capital and multinational corporations. This is because the United States has begun to experience problems since Japan's "satellites," such as South Korea, Taiwan, Hong Kong and Thailand, have increased exports to the United States. At the same time, these countries are trying to implement protective policies. This has displeased the United States. Also, the United States has a huge trade deficit with Japan. And so it is putting great pressure on both Japan and its "satellites." In short, the economic competition between the two Pacific superpowers has become very fierce, and this is affecting the Southeast Asian region, which Japan considers to be its zone of influence just as the United States considers Latin America to be offlimits to other great powers (the Monroe Doctrine).

This will not lead to a war since that would not benefit anyone. But the economic situation will grow worse and both sides will develop their techniques for avoiding trouble. We have to know what our position is in the struggle. Thus, our leaders must be able to take a broad view of the problems and be able adjust themselves quickly.

[Question] As for political and economic relations between Thailand and the United States and between Thailand and Japan, how much sympathy do these two countries, both of which are our friends, have for us? Which of these countries has a greater understanding of and sympathy for Thailand?

[Answer] Economics has its own rule, which is to compete with and beat the other side. The economic behavior of Japan and the United States is the same. They act the same both at home and abroad. When you talk about sympathy, you are talking about governments and foundations. The law of capitalist economics is, "help yourself." Thus, Thailand must help itself as much as it can. They may cooperate on certain projects that they feel will benefit both Thailand and their country. In short, the word "sympathy" is not part of the vocabulary of competitive economics, particularly in a period in which every country in the world is encountering a serious economic recession as at present.

In the eyes of Americans, Thailand is not very important either economically or politically. A recent Gallup Organization poll confirmed this. Today, Americans are worrying only about their own problems. They are conservative and are interested only in strengthening their nation. The same thing is true in Japan. In this respect, Nakasone is no different from Reagan.

[Question] M.R.W. Khukrit Pramot has proposed establishing an "ASEAN common market." DO you think that this would help solve the economic problems in the ASEAN region?

[Answer] I fully agree that the small countries have very little bargaining power and that they must join forces in order to achieve a balance of power

with the great powers. But this is still a long way from becoming a reality, for both internal reasons, such as historical differences (colonialism), and external reasons, such as certain great powers. When they say that they support ASEAN, they do not mean that they support our joining forces to gain bargaining power and put pressure on them. I think we all know to which great powers I am referring.

M.R.W. Khukrit plays only a very small role at the ASEAN level. But he is a political "pillar." If anything comes of his proposal, it will be a good sign for the development of ASEAN so that it has greater bargaining power. Today, the great powers are "exercising" in the region. Things will probably become even tenser and more complex.

Narong Phetprasoet, Faculty of Economics, Chulalongkorn University

[Question] Would you give us your views on the United States passing protectionist trade laws, which Thailand is fighting?

[Answer] Actually, in their view, the laws, or measures, promulgated by the United States will affect Thailand very little. These laws and measures are actually aimed at bigger countries such as the EEC and Japan. But these countries will not be affected very much. It will be the smaller countries such as Thailand that suffer since we do not have the strength to protect ourselves.

I don't think that the United States will pay much attention to what we say. They won't care because: 1. they think that we have to rely on them for loans and military support and 2. in their view, their measures are not aimed at us. But by chance, we have come within their radius. And so they won't care. Thus, it shouldn't come as a surprise that when we appeal to them, they ask us why we haven't appealed to Japan. It is well known that their measures are aimed at Japan.

Talking about Thai-U.S. relations, we have always obeyed them. Since Thailand will be affected, if they were really our friend, they would do something to avoid this. But they haven't. Profits are more important to them.

[Question] As for M.R.W. Khukrit's idea about forming an ASEAN common market, how feasible do you think this is?

[Answer] M.R.W. Khukrit and Mr Amnuai Wirawan have proposed that the ASEAN countries join together to fight back, particularly against the United States. That is a good idea since ASEAN's value of trade with the United States was \$26,300 million in 1984, fifth among the trading partners of the United States. Thus, if the ASEAN countries can join forces, they should have great bargaining power.

But the reality is that each of the ASEAN countries is dependent on and dominated by the United States. The Philippines and Indonesia under Suharto are good examples of this. This is also very clear in the case of Thailand. It would be very out of character for these three countries to challenge the

United States. Even though the private business sector is firm about this, I don't think that the military will support them on this.

Thus, it is very difficult for these countries to achieve unity. It might be possible for business groups to unite. But many of the main industries still have problems because these companies are part of U.S. or Japanese conglomerations. They will not oppose the countries of their mother company. Thus, the proposal made by Mr Khukrit is entirely correct, but there are still great problems in implementing the proposal. Because when you look at business realities, such as the textile or chemical industries, the people who make most of the decisions are the Japanese and Americans. But it would be very good if we could implement his proposal.

[Question] Which do you think poses the greater danger to Thailand, Japan or the United States?

[Answer] I have to say that both pose a danger, but the United States poses the greater danger. Japan poses a danger mainly in economic matters. It has begun to pose a danger in the cultural sphere. But the United States poses an economic, political, cultural and social danger. It is trying to dominate in all spheres. But while both of these countries are competing for economic profits, they cooperate closely on the political front.

[Question] What can Thailand do about this?

[Answer] I think that we should have alternative choices in addition to what we are doing at present. It is up to us to decide. In particular, I think that we should have other choices in the struggle for economic profits. That is:

1. In the case of exports, instead of looking only at the EEC and U.S. markets, we should pay more attention to nearby markets. For example, we can open trade along our western and eastern borders. We don't have to care too much about other things.

2. We should increase trade and investments with the East European countries, including the Soviet Union. Since neither the United States nor Japan seem to care about us very much, why don't we make a definite decision? Why do we have to humor them? We could engage in counter-trade or barter goods with the East European countries.

3. Why don't we use rival countries to establish a balance? Take light industry, for example. We should trade with Korea or China in order to balance things with Japan. That is, we should start purchasing goods from China and Korea. As for the primary industries, why don't we take a greater interest in Germany? We must use these trade stratagems to right the balance with Japan and the United States. We must start trading more with other countries. These countries are interested in us. And so why aren't we interested in them? It is a mistake for us to humble ourselves before those who are not really interested in us.

In short, I think that it would be difficult to oppose the United States directly. But we can do so indirectly by using rivals of the United States as

I mentioned above. This is something that we can do. Opposing them indirectly is something that we can do in conjunction with uniting ASEAN.

However, in deciding to right the balance or oppose them indirectly, the decisive factor is our policy and view on international political relations. But I think that this can be decided among ourselves. It shouldn't be necessary to hire a lobbyist. These are the things that I think should be done. This would achieve more than simply waiting for the United States to show some compassion.

Dr Yupha Udomsak, A Thai Nation Party MP from Phichit Province

[Question] At the beginning of this year, Dr Mahathir Mohamad, the prime minister of Malaysia, said that the "trade struggle between the United States and Japan and trade protectionism will cause turmoil in Asia and Southeast Asia." What is your view on this?

[Answer] What he said is probably true. Japan is now an economic superpower. It now dominates the economy of this region. In the past, it was the United States that dominated things. But its position declined when Japan gained bargaining power and built up its economic base. Whenever it's a matter of gaining or losing the advantage, people will try to protect their interests and will compete for profits. This will definitely affect our economic system and that of ASEAN and the Asian region.

The ASEAN countries are now in the process of increasing their bargaining power. But in my view, they still have very little bargaining power. Production and marketing are still very weak.

Whenever something is done that affects a small, developing, or underdeveloped, country, that country must try to protect its interests. But in protecting your interests, it's also necessary to remember that you are a part of world society. The great powers must act morally. At the same time, the underdeveloped countries must take steps to improve themselves. They can't just keep asking the developed countries to show compassion.

[Question] Do you think that forming an "ASEAN common market" will help solve the problems arising from the economic competition between the great powers?

[Answer] If we are really able to form an ASEAN common market, we should be able to solve some of the problems arising from this competition. But it won't be possible to solve all the problems. Because today, other countries such as Korea, Taiwan and China are beginning to play a larger role on the world market. These countries have relations with us, too. We can't overlook these countries. At present, these countries are not too developed. But China, for example, is competing very well in selling its agricultural products. Thailand is at a disadvantage because we lack markets. Other countries have taken our markets from us. An example is corn. And our industrial markets have been affected by friendly countries. This is a weakness of ours. We have never tried to reach a real understanding with the United States. We have never lobbied on our behalf. Other countries do this all the time. We carry on trade casually. We do not have a long-term plan. We just let things take their

course. Things are not done in stages or in a scientific manner. If things don't go right, we just complain but do not take action to change things.

I think that the United States wants to reach an understanding. But we have not taken resolute action. And since we have not acted resolutely, they have not received any correct information from us. They don't know what to do to help us. Diplomats are changed all the time. The commercial attache is given a very small budget. He doesn't know what to do. Those who are sent often know very little about economic matters. Our country uses a bureaucratic system. As for advances in trade, it is the private sector that must be praised. It is much more capable than the public sector. Besides failing to provide help, the government is creating obstacles for them. I think that we will encounter many more problems unless we improve our bureaucracy.

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CSO: 4207/298

TONGA

BANK OF TONGA INCREASES PROFIT

Sydney THE SOUTH SEA DIGEST in English 20 Sep 85 p 1

[Text]

The Bank of Tonga made an operating profit of \$T1 434 084 in 1984, an increase of \$208 599 over the 1983 figure. Total assets increased by \$5 120 582, deposits by \$3 552 591 and foreign currency holdings by \$4 521 280. Local investments increased to \$741 310 with \$200 000 reinvested in a five-year development loan. Outstanding loans increased by \$248 432 and new lending amounted to \$4 155 780 representing 2636 approved applications, housing loans accounting for 51% of the total.

Tonga's gross domestic product for 1982/83, the latest period for which figures are available, stood at \$76 million, about \$770 per capita with almost half coming from agriculture, fisheries and forestry, with a considerable proportion of that coming from the subsistence area. Exports in 1984 totalled \$9.9 million compared to \$4.3 million in 1983, with more than half the total being earned by coconut oil. Non-agricultural manufactures accounted for about 5%. Income from tourism was estimated at about \$6 million. The balance of payments for 1983/84 showed a surplus of \$734 000. Foreign reserves totalled about \$24 million, the equivalent of six months imports. The trade deficit fell slightly to \$36.7 million from \$38.1 million in 1983. Unemployment was estimated to be as high as 20% and about 56% of the kingdom's population is under 20 years of age.

CSO: 4200/51

VANUATU

BRIEFS

COPRA PRODUCTION RISES, COCOA FALLS--According to the Vanuatu National Planning and Statistics Office, 47 759 tonnes of copra and 782 tonnes of cocoa were collected for export or processing in 1984 compared to 37 903 tonnes of copra and 1297 tonnes of cocoa in 1983. Malakula Island, the next largest island after Santo and the most heavily populated with 11 174 ni-Vanuatu (1979 est), headed the production list, supplying 26% of the copra (Santo 21%) and 34% of the cocoa (Santo 25%). [Text] [Sydney THE SOUTH SEA DIGEST in English 20 Sep 85 p 2]

CSO: 4200/47

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK ON DK STRUGGLE, ACTIONS AGAINST SRV

BK010412 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
30 Sep 85

[Station Commentary: "Our Cambodian Nation and People's National Liberation and Race-Protecting Struggle Has Grown Steadily in the Roaring Flames of War Against the Genocidal Vietnamese Enemy Aggressors"]

[Text] For the past nearly seven years, although the Vietnamese enemy aggressors have sent additional troops, tanks, and war material to launch suppressive operations in an attempt to crush the resistance movement of the Cambodian nation and people, they still cannot destroy or suppress this patriotic struggle. On the contrary, this resistance movement has been making a steady progress year after year. The flames of war against the genocidal Vietnamese enemy aggressors have spread furiously from the western border region down to the eastern border adjacent to Vietnam. This resistance movement of the Cambodian nation and people is growing in size and quality. It has a well organized network entrenched throughout the country, and it is not an ephemeral phenomenon, something like a grass fire. It is in fact a simmering, permanent fire that is spreading unstoppably.

For example, during the 1983-84 dry season, our national army and guerrillas launched heavy attacks against the Vietnamese enemy aggressors in the four provinces surrounding Tonle Sap Lake, namely Kompong Thom, Siem Reap, Battambang, and Pursat. During the 1984-85 dry season, the Vietnamese sent 60,000 additional troops from Vietnam to conduct a large-scale offensive in a bid to crush our resistance forces, but in vain. On the contrary, during this 1984-85 dry season, our army launched a more intensive offensive in these four provinces surrounding Tonle Sap Lake and spread the battlefield into all of Kompong Chhnang Province. We [word indistinct] and liberated several villages, communes, districts, and townships in this Kompong Chhnang Province and pushed along the Tonle Sap River down to the areas adjacent to Phnom Penh itself. At the same time, we have opened a new front north of Phnom Penh in addition to the existing one northwest of Phnom Penh.

Our army is conducting repeated operations and launching repeated attacks against the Vietnamese enemy aggressors in five districts bordering on Phnom Penh in the north, northwest, and southwest. During the 1985 rainy season, the Vietnamese enemy aggressors used massive troops supported by aircraft in

a bid to drive us out of these areas, but to no avail. This enemy effort could only make us launch heavier attacks and put bigger pressure on Phnom Penh. For instance, just recently we attacked four Vietnamese arms and material depots north of Toek Thla in the Phnom Penh suburbs; we attacked the Vietnamese enemy aggressors in Prek Phneou township 6 km from Kilo Lek Prammuoy, Phnom Penh; we swept the Vietnamese enemy aggressors from Prek Sdei up to Prek Phneou; we swept the Vietnamese along Tonle Sap River from the Prek Kdam ferry landing township and the Kompong Luong township up to Kompong Ta Ches, a stretch of 20 km, and continued sweeping the Vietnamese from Kompong Ta Ches township up to the district town of Kompong Leng in Kompong Chhnang Province, causing utter panic and confusion among the Vietnamese enemy aggressors and forcing them to withdraw a large portion of their troops from the western border regions and bring them to defend Phnom Penh.

All of this shows that not only have the Vietnamese enemy aggressors failed to crush or suppress our resistance movement, but they have come under our growing, widespread attacks.

The attack activities of our national army and guerrillas against the genocidal Vietnamese enemy aggressors have also developed powerfully in other areas such as Ratanakiri, Mondolkiri, Stung Treng, Kratie, Kompong Cham, Kompong Thom, Kandal, Kompong Speu, Takeo, and Kampot. We have again and again launched repeated attacks to disperse the village, commune, and district administrative apparatuses of the Vietnamese enemy aggressors, and we have conducted densely coordinated small guerrilla activities according to our five combat tactics. We have steadily expanded the battlefields, causing the Vietnamese enemy to become more bogged down and tied up everywhere in the country.

These activities of our national army and guerrillas in the interior of Cambodia have greatly encouraged our people who in turn are providing them with a support in launching ever more vigorous attacks [word indistinct] compatriots have been supporting our national army and guerrillas and have joined with the latter in attacking the genocidal Vietnamese enemy aggressors, making it possible for us to grow steadily year after year. As for the Vietnamese enemy aggressors, they have resorted to all kinds of fascist, cruel means to crack down on our people and prevent them from rising up against the Vietnamese. However, the heavier the Vietnamese crackdown, the more vigorous the uprising of our Cambodian people. It is like pouring gasoline on the flames. The people have directly participated in the struggle against the Vietnamese enemy aggressors without regretting their lives, for their hatred and indignation against the Vietnamese enemy aggressors had become unbearable. This is a mighty current that Vietnam cannot stop.

Therefore, the struggle movement of our nation and people against the Vietnamese enemy aggressors have developed in the roaring flames of war and it draws its strength from a perennial source: the Cambodian people throughout the country. This type of resistance is very powerful and sturdy. The enemy can never break it, be it in 5 years, 20 years, or ever. On the contrary, this resistance movement will continue to grow and blaze until all the genocidal Vietnamese enemy aggressors are driven out of Cambodia.

CSO: 4212/4

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK SAYS SRV ACTIONS EXPOSE 'DECEITFUL MANEUVERS'

BK280823 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
27 Sep 85

[Station commentary: "The Hanoi Vietnamese Enemy Aggressors' Maneuvers on Troop Withdrawal and Talks Have Been Exposed by Vietnamese Actions in Cambodia"]

[Text] As the 40th session of the UN General Assembly begins, the Hanoi Vietnamese enemy aggressors are carrying out many deceitful diplomatic and political maneuvers in an attempt to bury the issue of Vietnam's aggression in Cambodia and to transform it into a regional issue between Vietnam and ASEAN and between Vietnam and China, and so on. At the same time, Nguyen Co Thach, Hanoi's sly chief diplomat well known for his most tricky and deceitful lies, is clamoring again and again about Vietnam's maneuver to withdraw Vietnamese forces from Cambodia. He says Vietnam is going to withdraw this or that number of soldiers at this or that date in an attempt to dupe the world into wrongly believing that Vietnam is softening its attitude on resolving the Cambodian issue. However, concrete actions of the Le Duan Vietnamese enemy aggressors on the battlefield of aggression in Cambodia have exposed the Vietnamese maneuvers and lies.

This rainy season, the Hanoi Vietnamese enemy aggressors have successively sent reinforcements from Vietnam to Cambodia. According to reports we received from various localities, in early September the Vietnamese enemy sent in more than 13,000 reinforcement soldiers. These new soldiers were sent as units, combined forces withdrawn from various units, and new recruits. They were sent to Cambodia from South Vietnam through Route 2 and Route 3, from Central Vietnam along Route 19; other soldiers were taken by sea to Koh Kong Province in Cambodia. Apart from these, the Vietnamese have also sent small groups of reinforcement soldiers--between 4 and 5 and between 4 and 10 truckloads--to various battlefields. Soviet cargo ships bringing weapons, ammunition, tanks, and artillery have docked one after another at Kompong Som port. In early September, an East German ship full of military materiel including tanks, artillery pieces, and ammunition also docked at Kompong Som port.

These successive and massive reinforcements of troops and military equipment to Cambodia are in preparation for launching large-scale offensives to massacre and exterminate the Cambodian race and to try to destroy Cambodian nationalist

forces during the next dry season. This is to permit Vietnam to annex Cambodia, set up an Indochinese federation, and then move forward in accordance with Vietnam's own aggressive and expansionist strategy and that of Vietnam's masters, the Soviets, in this region as well. This is the real situation in Cambodia. Vietnam is not withdrawing its forces. On the contrary, it is sending [word indistinct] reinforcement troops, tanks, artillery pieces, and ammunition. As for Vietnam's statements on the withdrawal of these or those tens of thousands of soldiers from Cambodia and its promise to complete this withdrawal by this or that date, which the Vietnamese enemy aggressors have recently been clamoring about, they are only deceitful maneuvers to appease the international community's anger so that Vietnam is not so strongly condemned and to lessen the international community's pressure on Vietnam to withdraw its forces from Cambodia in accordance with the UN resolutions. This is to allow Vietnam some breathing space to strengthen its forces and launch new military attacks to achieve its strategy of completely annexing Cambodia.

However, the Vietnamese enemy aggressors cannot achieve their criminal goal. Since the defeat of their blitzkrieg in 1979, for the past almost seven years the Vietnamese enemy aggressors have done their best to achieve their ambition of annexing Cambodia. However, they have failed. During the past dry season, Vietnam sent about 60,000 new soldiers from South, Central, and North Vietnam to launch the most barbarous and fascist attacks in an attempt to destroy the Cambodian nationalist resistance forces, exterminate the Cambodian race, and completely annex Cambodia. However, the Vietnamese failed. Instead, they were dealt serious blows; a large number of their soldiers were destroyed. In the coming dry season and in the future, the Vietnamese enemy certainly will not be able to achieve this ambition of annexing Cambodia. This is because the Cambodian people, through their own experience in flesh and blood during the war of aggression of the Hanoi Vietnamese for the past almost seven years, more clearly understand and realize the Le Duan Vietnamese enemy's ambitions to annex Cambodian territory and exterminate the Cambodian race. They are very angry with these Vietnamese enemy aggressors and they clearly realize that the Cambodian nation and entire people have to unite around the CGDK and fight back against the Vietnamese. Only this way can they survive and the Cambodian nation and race be safeguarded.

As for the international community, it has become more aware of the Vietnamese enemy's deceitful nature and the stubbornness of the Hanoi Vietnamese expansionists. It therefore will not believe Vietnam's word or be taken in by Vietnam's deceitful maneuvers. It has instead increased its voice in denouncing and condemning the Vietnamese act of aggression in Cambodia even more. It also insistently demands and puts pressure on Vietnam to unconditionally withdraw its aggressor forces from Cambodia and respect the Cambodian people's right to self-determination without any outside interference. This is particularly so at the current session of the UN General Assembly.

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK SCORES USSR FOR AIDING SRV 'AGGRESSION'

BK280722 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
28 Sep 85

[Station commentary: "The Soviet Union Is Fully Involved in Vietnam's War of Aggression in Cambodia"]

[Text] At the current 40th session of the UN General Assembly, a multitude of peace- and justice-loving countries, members of the United Nations, are raising their voices in denouncing and condemning Vietnam's act of aggression in Cambodia, which is fully backed by the Soviet Union, as a flagrant and barbarous violation of the principles of international law and the UN Charter. It is also an act destructive of peace, security, and stability in the whole of Southeast Asia. However, the Soviet Union--the main backer that has been providing Vietnam with weapons, tanks, artillery, and ammunition to wage a war aggression in Cambodia and savagely and barbarously massacre the Cambodian people--pretends to know nothing of this issue.

In his address at the UN General Assembly on 24 September, Soviet Foreign Minister Shevardnadze tried to avoid mentioning the Cambodian issue. Instead, he said that the basis for relations between ASEAN and the so-called Indochinese countries is taking shape, countries in the region can organize talks by themselves, the Soviet Union will not interfere in this region, and so on. The entire world, particularly countries in the region, clearly realizes that problems in Southeast Asia, causing a tense and unstable situation, are due to Vietnam's sending hundreds of thousands of soldiers to commit aggression against and occupy Cambodia, massacre the Cambodian people, and constantly [word indistinct] Thailand's border. Vietnam can continue waging this war of aggression against Cambodia because of full Soviet support and assistance in the form of weapons, tanks, artillery, ammunition, money, and all kinds of assistance worth \$3 to almost \$8 million a day. Without this massive Soviet assistance, Vietnam could not commit this act of aggression to occupy Cambodia and provoke Thailand at will.

Recently, during the visits to Moscow by Le Duan and Van Tien Dung, the Soviet Union declared that it continues to support and will double its assistance to the Hanoi Vietnamese. So, there is no need for the Soviet Union to pretend. Everyone knows that problems in Southeast Asia are caused by flagrant Soviet involvement. The situation in Southeast Asia, which is

always tense and unstable, is due to Vietnam, with full Soviet support, sending hundreds of thousands of soldiers to commit aggression against and occupy Cambodia.

This is why, during the past almost seven years, the international community, particularly countries in the region, have insistently demanded that, on the one hand, Vietnam withdraw all its aggressor forces from Cambodia, and on the other, that the Soviet Union stop providing military assistance to Vietnam to prevent it from using these weapons to massacre the Cambodian people and violate Thailand's border, because this is the cause of the tense, boiling situation in the region. There is no need for the Soviet Union to exonerate itself by not talking about Soviet assistance for Vietnam to carry out its act of aggression against Cambodia and instead to pretend to talk about negotiations. Everyone knows that, if the Soviet Union wants countries in the region to enjoy peace and security and Southeast Asia to recover its stability it should:

1. Stop providing weapons, tanks, artillery, ammunition, and military materiel to Vietnam to carry out its aggression against others and destroy stability in the region.
2. Pressure the Hanoi Vietnamese to withdraw all their aggressor forces from Cambodia to let the Cambodian people decide their destiny themselves without any outside interference.

However, if the Soviet Union continues to ignore its criminal involvement in the Cambodian issue, then at this UN General Assembly and at other international meetings, the international community will, on the one hand, continue to denounce and condemn the Vietnamese aggressors and pressure the Vietnamese to withdraw all their aggressor forces from Cambodia as prescribed by the UN resolutions, and, on the other, continue to demand and pressure the Soviet Union, Vietnam's main backer, to stop providing military assistance to Vietnam to end the latter's war of aggression in Cambodia. Only when the Soviet Union stops providing assistance to Vietnam and when the latter withdraws all its aggressor forces from Cambodia can this country recover its peace and security and Southeast Asia its peace, security, and stability. And this will benefit the defense of peace and stability in the world.

CSO: 4212/4

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

CLANDESTINE RADIOS REPORT BATTLEFIELD ACTIVITIES

Battle Reports For 2-26 September

BK270504 [Editorial report] (Clandestine) Voice of the National Army of Democratic Kampuchea [VONADK] in Cambodian Broadcast the Following Battle Reports During the Reporting Period 20-26 September:

VONADK at 2315 GMT on 20 September reports that DK forces cut off portions of railroad track on West Kampot Battlefield between 10 and 14 September, and on Kompong Chhnang Battlefield on 12 September; attacked Chhuk commune office in Phnum Srok District of North Battambang Battlefield on 17 September; ambushed a Vietnamese truck in the area between Neak Poan and Pre Rup temples on Siem Reap Battlefield on 16 September; ambushed a Vietnamese company unit in Kompong Svay district on 11 September; attacked a Vietnamese platoon on Siem Ta Battlefield on 16 September and a Vietnamese platoon position defending Thma Da position on South Sisophon Battlefield on 15 September; and conducted various other guerrilla activities on West Kampot, South Sisophon, West Battambang, Siem Ta, Koh Kong Leu, Kompong Chhnang, Moung-Pursat, Preah Vihear, and North Sisophon Battlefields between 6 and 17 September, killing or wounding 144 Vietnamese soldiers; destroying 28 weapons, 880 meters of railroad track, 2 commune offices, 1 rice storehouse, 22 barracks, 2 trucks, and some war material; and seizing 3 weapons and some war material.

According to VONADK at 2315 GMT on 21 September, DK guerrillas cut railroad tracks in the area between Svay Teap and Reang Kesi on South Battambang Battlefield on 18 September; attacked commune offices in Prey Chor district of Kompong Cham Province on 13 and 15 September; ambushed a Vietnamese platoon in Kompong Svay district of Kompong Thom Province on 17 September; and conducted various other activities against Vietnamese soldiers on West Battambang, Kompong Cham, Pailin, Koh Kong Leu, Leach, Kompong Thom, Samlot, and South Battambang Battlefields between 6 and 19 September, killing 137 Vietnamese soldiers; wounding 149 others; destroying 136 weapons, many positions and warehouses containing ammunition and rice, 800 meters of railroad track, 5 trucks, 5 C-25 radios, 4 telephone sets, 1 generator, and some war material; seizing 59 weapons, 3 C-25 radios, 2 telephone sets, and some ammunition; and liberating 4 villages on Samlot Battlefield and 4 villages on West Battambang Battlefield.

VONADK at 2315 GMT on 22 September reports that DK forces shelled Battambang town on 13 September; ambushed a Vietnamese company unit in Phnum Sruoch

district of Kompong Speu Province on 20 September; and conducted various other activities against Vietnamese soldiers on Siem Reap, Pailin, Siem Ta, Kompong Cham, Kratie, Koh Kong Leu, and West Battambang Battlefields from 7 to 20 September, killing or wounding 128 Vietnamese soldiers; destroying 12 guns, 2 trucks, and some war material; and seizing some guns, ammunition, and war material.

VONADK at 2315 GMT on 23 September reports that DK forces killed or wounded 89 Vietnamese soldiers during operations launched from 11 to 21 September on South Sisophon, Kompong Cham, and Samlot Battlefields. They also destroyed 46 assorted weapons, 1 company position, 26 barracks, 1 C-25 radio, and some war material; and seized 7 guns and some ammunition and war material.

According to VONADK at 2315 GMT on 24 September, DK forces cut 100 meters of railroad track in Kompong Trach district, Kampot Province, on 18 September and attacked a Vietnamese platoon on West Battambang Battlefield on 21 September. They also conducted various other guerrilla activities against Vietnamese soldiers on Pailin, Koh Kong-Kompong Som, Kompong Cham, Kampot, Kompong Speu, and Route 4 Battlefields from 9 to 21 September, killing or wounding 57 Vietnamese soldiers; destroying 7 guns, 1 truck, and some war material; and seizing some war material.

VONADK at 2315 GMT on 25 September reports that DK forces smashed 3 commune office buildings and liberated 2 villages on Battambang Battlefield on 22 September and conducted various other activities against Vietnamese soldiers on South Sisophon, Koh Kong Leu, and Kampot Battlefields from 15 to 23 September, killing or wounding 32 Vietnamese soldiers; destroying 3 commune office buildings, 17 barracks, 1 guard post, and some war material; and seizing some guns, ammunition, and war material.

According to VONADK at 2315 GMT on 26 September, DK forces cut 28 stretches of railroad track totaling 560 meters in areas between Bannak and Kamreng, Tnal Bat and Svay Don Kev, and between Moung and Kouk Trom on Kompong Chhnang Battlefield on 13, 17 and 18 September and at areas between Bannak and Kdol and between Krang Skea and Kdol on Kompong Chhnang Battlefield on 12 and 15 September. They also killed a Vietnamese battalion commander during 17-19 September attacks on a Vietnamese battalion unit moving from Chikreng to Kravel on Siem Reap Battlefield and conducted various other activities against Vietnamese soldiers on Kompong Chhnang, Moung-Pursat, Siem Ta, and Koh Kong Leu Battlefields from 11 to 24 September, killing or wounding 133 Vietnamese soldiers; destroying 9 guns, 2 field radios, and some war material; and seizing some war material.

Southern Vietnamese Kill Northerners

BK270320 (Clandestine Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 26 Sep 85

[Text] On 15 September, Southern Vietnamese soldiers who had just been sent to Kompong Trach market [Kampot Province] fired at Northern Vietnamese soldiers who had been stationed there for a long time, killing three and

wounding some others. They did this because the Vietnamese soldiers from the north looked down on them.

SRV Train Ambushed, Railroads Cut

BK020012 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 1 Oct 85

[Text] At 1200 on 24 September, a Vietnamese train heading from Pursat to Battambang was ambushed and set ablaze when it arrived at a point between Kouk Trom and Phnhiev. We killed 8 Vietnamese, wounded 15 others, and destroyed 4 cars and all material inside the cars.

Also on 24 September, we cut the Vietnamese railroad between Kouk Trom and Thippadei at five places for a total of 100 meters.

On 20 September, we cut the Vietnamese railroad between Krang Skea and Romeas, Kompong Chhnang, at five places for a total of 100 meters of track.

Two Villages in Battambang 'Liberated'

BK260112 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Sep 85

[Excerpt] Battambang Battlefield: On 22 September, our DK forces attacked the Vietnamese commune office at Ta Pon in two prongs. The first prong attacked the commune office, and the second prong directed at the platoon position defending it. After fighting for 15 minutes, we killed or wounded a number of Vietnamese soldiers. We destroyed 3 commune office buildings, 15 barracks, and 1 guard post. We seized six sacks of rice and some war material. We liberated two villages, namely Ta Pon Ti Muoy and Ta Pon Ti Pi. [passage omitted]

Five Villages in Battambang, Kompong Thom

BK030611 (Clandestine) voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT] Oct 85

["Battle Report from Various Battlefields"]

[Excerpt] East Battambang Battlefield: On the night of 28 September, we launched a two-pronged attack against the Vietnamese commune office at Kompong Preah. The first prong struck at the platoon position defending this commune office while the second was directed at the commune office. After 15 minutes of fighting, we totally liberated the commune office. We killed three Vietnamese soldiers; wounded four others, seized an AK and some war material; and liberated three villages, namely Sras Kev, Andong, and Kompong Preah.

Kompong Thom Battlefield: On 27 September, we attacked the Vietnamese commune office at Ti Po, killing a Vietnamese soldier and wounding another. We seized an AK and liberated two villages, namely Phum Ti Po and Ta Preap.

Kompong Som Battlefield: On 30 September, we ambushed and set ablaze two Vietnamese trucks in the area south of O Chamna. We killed five Vietnamese, including a colonel and a captain, and wounded two others. We destroyed a pistol and all the material on the trucks. [passage omitted]

CSO: 4212/4

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK COMMENTARY ON FORCED LABOR, SRV GENOCIDE

BK271131 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
26 Sep 85

[Station commentary: "The Vietnamese Enemy Aggressors Are Implementing the Slogan 'Kill Cambodians Without Using Bullets'"]

[Text] The Hanoi Vietnamese enemy aggressors, in a fascist manner, have savagely massacred the Cambodian people with all their means. They have massacred our people by arresting and executing them, by using toxic chemical weapons, and by stealing, plundering, and creating famine in the country since 1979. In addition to this, the Vietnamese enemy aggressors have used another savage and barbarous method to kill Cambodians without using bullets. They have forced tens of thousands of Cambodians to clear brush and build roads for them in western Cambodia--a malaria-infested area and a battlefield. They do not allow our people to earn their living.

From the last dry season to this rainy season, the Vietnamese enemy aggressors have forced tens of thousands of Cambodians from various villages and districts in all provinces to clear brush, build roads, construct barracks, dig trenches, or build fences for them on the western Cambodian battlefield. A large number of these Cambodians were forced by the Vietnamese enemy aggressors to walk the entire length of the country to come clear brush in western Cambodia as well as along important strategic routes such as 3, 4, 5, and 6, railroads, and Routes 10 and 12.

Another large number of our people were forced by the Vietnamese enemy aggressors to work for them in Koh Kong, Leach, Samlot, Pailin, Sisophon, and Oddar Meanchey. From each area, the Vietnamese enemy aggressors forced 2,000-3,000 and sometimes even tens of thousands of Cambodians to work for them.

This large-scale forced labor has not been encountered by the Cambodian people before. This is not a usual form of forced labor nor a usual need for manpower, but a form of the Vietnamese enemy aggressors' genocidal policy against the Cambodian race--massacring our people without using bullets. Through this forced labor, tens of thousands of Cambodians have tragically died.

First, our people have died of hunger because the Vietnamese enemy aggressors have forced these people to work for them and to bring their own food. Our people, however, do not have food because their paddy and rice were stolen and plundered by the aggressors. Many Cambodians were ill and have died successively because they were forced to work very hard without enough food. In this rainy season, the Vietnamese enemy aggressors do not allow our people to return to their villages to grow rice. Tens of thousands of our people are still being forced by the Vietnamese enemy aggressors to work for them in western Cambodia. Therefore, our people cannot grow rice this year, and thus, there will be a more serious food shortage next year.

Second, many Cambodians died of malaria because western Cambodia is the most malaria-infested region. United Nations officials in charge of humanitarian aid have been concerned with a new strain of malaria which has spread throughout Cambodia. This is a serious consequence of the forced labor in western Cambodia. According to the officials of humanitarian organizations, there are many malaria patients in various hospitals. This malaria has killed many Cambodians, and those who do not die are seriously affected by this disease. In this way, the manpower of Cambodia has also been seriously affected.

Third, the Vietnamese enemy aggressors have forced many Cambodian civilians to work for them in western Cambodia, which is a battlefield, and many have been hurt. The Vietnamese enemy aggressors buried mines in the brush. Later on, they forced our people to clear the brush in this area in order to massacre them. In some areas, the Vietnamese enemy aggressors have used our people to clear minefields. They have forced our people to walk in front of them into the regions held by our Democratic Kampuchean resistance forces. In this way, tens of thousands of our people have been killed and wounded by mines and bullets.

All of these are the most savage, barbarous, and inhuman means used by the Vietnamese enemy aggressors to kill the Cambodian people in accordance with their slogan, "Kill Cambodians without using bullets".

The Cambodian people appeal to the international community, especially to the current UN General Assembly session, to continue to vigorously denounce and condemn the Vietnamese enemy aggressors for their genocidal crimes against the Cambodian race. They also appeal to the world community to take all measures to check their genocidal crimes committed by the Vietnamese enemy aggressors so that the aggressors will not be able to continue the massacre of the Cambodian people as they wish.

The Cambodian people believe that the most effective measure is for the international community to unite and pressure the Vietnamese enemy aggressors more strongly until they withdraw all their aggressor troops from Cambodia in conformity with the UN resolutions.

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK DENOUNCES DRAFT AGE LIMIT BY VIETNAM

BK020316 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
1 Oct 85

[Station Commentary: "The Cambodian People Categorically Oppose the Policy of Khmerizing the War of the Vietnamese Enemy Aggressors Who Attempt to Pit Cambodians Against Fellow Cambodians"]

[Text] Recently the Vietnamese enemy aggressors promulgated a law ordering all Cambodians aged from 18 to 30 to serve them in the army for a 5-year period. They stressed that this 5-year stint may be extended in case of a general or regional mobilization. At the same time, the Vietnam enemy aggressors prescribed that all Cambodians, from 16 to 55 years of age for women and from 16 to 60 for men, should join their so-called self-defense forces.

Since the start of their occupation of Cambodia, the Hanoi authorities have tried hard to implement their Khmerization policy in an attempt to set up a puppet administration and a puppet army, forcing Cambodians to fight fellow Cambodians in order to cover up their own aggression in Cambodia. However, for the past nearly seven years, all attempts at a Khmerization policy of the Vietnamese enemy aggressors have shamefully failed one after another, both administratively and militarily.

In the military field the Vietnamese enemy aggressors have sought to force our Cambodian people and youths to join the army in their service, using threats and intimidation by sending their troops to surround villages and conscript and drag away Cambodian youths and people at gunpoint or using various perfidious lures and enticements such as lying to the youths that they are assigned to do this or that task or to study techniques here or there or calling up the people for an imaginary meeting in order to press the assembled people and youths into armed service and send them to fight and die in their place in the battlefields.

However, the Vietnamese enemy aggressors' policy of Khmerizing the war and pitting Cambodians against fellow Cambodians has experienced one shameful setback after another, for our Cambodian youths and people are categorically opposed to it. They have risen up and engaged in all forms of struggle against the Vietnamese enemy's draft age limit design such as by hiding, or, when caught and conscripted, deserting the ranks or mutinying, turning their guns

against the Vietnamese enemy aggressors, and fleeing home or defecting to the side of our national army and guerrillas. These are reasons why the Vietnamese enemy aggressors have failed to set up a puppet army in Cambodia for the past nearly seven years. Now the Vietnamese enemy aggressors have, through a law, imposed a general draft on all Cambodian citizens. This also shows:

1. The brutal and savage nature of the Vietnamese enemy aggressors' policy of Khmerizing the war by forcing Cambodians to fight fellow Cambodians and to die in the place of the Vietnamese.
2. That the Vietnamese enemy aggressors are running acutely short of troops because more of their forces have been destroyed and worn out regularly by our national army and guerrillas. Although the Vietnamese authorities have steadily sent fresh reinforcements from Vietnam, they still cannot get enough troops to make up for their serious shortages and still cannot withstand the widespread, closely knit guerrilla activities of our national army and guerrillas. For this reason, the Vietnamese authorities have more brutally and savagely intensified the conscription of the Cambodian people to support and replace their forces.
3. That it is part of the Vietnamese authorities' policy of exterminating the Cambodian race by forcing Cambodians to fight fellow Cambodians and to die in the place of the Vietnamese so that the Vietnamese can completely annex Cambodian territory.

In the face of the implementation of the Khmerization policy--part of the Vietnamese enemy aggressors' genocidal policy against Cambodia--we would like to appeal to all Cambodian people and all Cambodian youths to join hands in all forms and through all means against this savage draft age limit imposed by the Vietnamese enemy aggressors.

You are requested to seek by all means to fight against the Vietnamese enemy aggressors and prevent them from drafting you, such as by hiding or rebelling against them so they cannot draft you or draft your children or husbands. As for those who have already been drafted, you should also seek by all means to mutiny against or desert the Vietnamese enemy by fleeing home or defecting to the side of our national army and guerrillas as other Cambodian soldiers have done in the past. At the same time, all Cambodian people are requested to join with our national army and guerrillas in smashing and dispersing the imposition of draft age limit by the Vietnamese enemy aggressors, dealing it shameful defeats as in the past, and join hands in driving the Vietnamese enemy aggressors out of our country so that we can preserve and perpetuate our Cambodian nation.

CSO: 4212/4

28 October 1985

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

BRIEFS

REMARKS ON PRC SUPPORT--At a recent banquet in honor of the CGDK leaders headed by Samdech Norodom Sihanouk, the Chinese foreign minister made a speech reiterating the PRC Government's stand on the Cambodian conflict, saying: Together with all peace- and justice-loving countries in the world, China condemns the Vietnamese aggressors and demands that they withdraw from Cambodia. He said that the great majority of countries the world over hold that the Vietnamese aggression against Cambodia has made Cambodia and South-east Asia lose their peace and stability. China supports the just struggle of the Cambodian people against the Vietnamese aggressors, he affirmed. Dealing with the efforts made by the ASEAN and the United Nations to settle the Cambodian problem, he said that the fact that the number of countries endorsing ASEAN'S resolution on Cambodia at the United Nations has increased from 91 in 1979 to 110 in 1984 is an eloquent proof of the growing support of the world's people for the Cambodian people. He expressed firm belief that in spite of the difficulties ahead, Cambodia will win its struggle against Vietnam. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 0500 GMT 1 Oct 85 BK]

SIHANOUK'S NEW YORK ARRIVAL--Samdech Norodom Sihanouk, president of Democratic Kampuchea [DK] and head of the DK delegation to the 40th UN General Assembly session, accompanied by Madame Monique Sihanouk arrived in New York on the afternoon of 25 September. Upon their arrival, the Samdech and his wife were warmly greeted by Prime Minister Son Sann and Khieu Samphan, DK vice president in charge of foreign affairs, both deputy heads of the DK delegation attending the current UN General Assembly, session who had arrived in New York earlier. Mrs Ieng Thirith, secretary general of the CGDK Ministry of Foreign Affairs; Ambassador Thiounn Prasith, DK permanent representative to the United Nations; Ambassador Hing Un; and Ambassador Sisowath Sirirat, deputy DK permanent representative to the United Nations; and other members of the DK delegation also went to welcome the Samdech and his wife. Among the foreign figures who went to the airport to greet the Samdech were PRC Permanent Representative to the United Nations (?Ling Qing); DPRK Permanent Observer to the United Nations (Pak Song-yun); the director of the East Asian Bureau of the U.S. Department of State; and an official from the UN Protocol Bureau representing UN Secretary General Javier Perez de Cuellar. Hundreds of Buddhist monks and Cambodians living in the United States were on hand to welcome the Samdech president of DK, expressing their firm support for the struggle of the CGDK against the Vietnamese aggressors. [Text] [(Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 30 Sep 85 BK]

28 October 1985

SRV PLUNDERS ANTIQUES--According to reports by foreign correspondents who have been in and out of Phnom Penh and who have visited the Angkor temples, guides at the temples have expressed concerns over damage to the Angkor temples, Cambodia's sacred heritage from the past. The guides say that damage caused by nature is not a serious problem, but the main concern is the fact that Vietnamese aggressor soldiers have been plundering and taking away sculptures from the temples. Since their invasion of and aggression against Cambodia, the Hanoi Vietnamese enemy has been plundering and destroying our Cambodian antiquities everywhere. The Vietnamese have taken away gold and silver ornaments, jewelry, and valuable antiques inside the royal palace, at the fine art school, and from various monasteries in Phnom Penh. They have also chiseled away fine large and small statues of Buddha, celestial dancers, and other sculptures from various temples, particularly from Angkor Wat, which is the sacred heritage of the Cambodian people and also a valuable property for mankind. This Vietnamese plunder is, on the one hand, an act of barbarous banditry and, on the other, the extermination of the Cambodian race through the destruction of cultural properties and Cambodia's soul. [Text] [(Clan-destine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 28 Sep 85 BK]

CSO: 4212/4

PEOPLE'S REPUBLIC OF KAMPUCHEA

SPECIALISTS DISCUSS ESTIMATES ON FOOD SHORTAGES

BK260125 Bangkok THE NATION in English 26 Sep 85 p 6

[Article by Jose Katigbak]

[Text] Phnom Penh--Kampuchea is short of food but no one knows the full extent of the problem. International relief organizations trying to assess the food deficit cannot reach a consensus.

They are hampered by restrictions on travel because of guerrilla war, by destruction of records during the period of Khmer Rouge rule, and by a wide variation in figures issued by the present Phnom Penh government.

Many of those who work for the 16 foreign aid groups in Kampuchea say they also face difficulties because of lack of skilled labour, inefficiency, bureaucracy and corruption in Kampuchea.

One worker from a church-funded group added: "Although we are all here for humanitarian reasons I think to a certain extent we are suspected of having religious and political motives."

The relief organizations include UN agencies, Red Cross groups and private voluntary bodies such as Oxfam [Oxford Committee for Famine Relief], World Vision, the Mennonite Central Committee and the Church World Service. They provide or arrange western relief aid, estimated for this year to be worth between \$20 and \$25 million.

While small in global terms, the aid, given in the form of food and medicines, is a big help for Kampuchea.

The country is still struggling to rebuild the complicated apparatus of a modern state dismantled by the Khmer Rouge in an (word indistinct) society from scratch which still hinders relief organizations was the destruction of all documents, records and technical publications.

Added to this is the complication of varying figures issued by the Heng Samrin government in assessing Kampuchea's food needs.

The government says it needs 1.2 million tonnes of rice or the equivalent in other food each year to feed a population estimated at 7.5 million. It puts the basic requirement for an individual at 15 kilos (33 pounds) a month—higher than the UN food and agricultural organization's norm of 14 kilos (31 pounds).

Last year, Phnom Penh reported a rice shortage of 300,000 tonnes and estimated this year's deficit would be 380,000 tonnes.

One aid expert said the figures appeared to be exaggerated. If there had been a real shortfall of 300,000 tonnes there would have been widespread starvation and hunger, an influx of villagers into Phnom Penh and rise in the number of beggars in the streets.

"We did not see this last year nor do we see it now. There were those who suffered from mild or severe malnutrition but there was no famine," he said.

The expert said the food shortfall was likely to be worse this year than last because of severe drought but that in the absence of reliable benchmarks it was difficult to make a reasoned estimate of what it would be.

"I cannot substantiate it but my ballpark estimate for this year's food shortage would be in the region of 60,000 and 70,000 tonnes," he added.

Earlier in the year, he said, the government estimated the food deficit at 330,000 tonnes. This was later changed to 600,000 tonnes and then to 380,000 tonnes.

Aid workers said Kampuchea received 28,000 tonnes in food donations from western relief organizations last year but this year the level was expected to fall to about 17,000 tonnes.

One worker, asked to explain the drop if it was agreed that this year's shortage would be rose, replied: "I really don't know. Maybe the donors are becoming more sceptical, maybe there are more countries that are in more need of aid."

A possible explanation for the confusion over figures is uncertainty about the size of the population. The government puts it at 7.5 million, growing between 3.5 and 4 percent a year. The estimate generally used by international relief agencies is seven million, expanding by 2.8 percent a year.

A report by a UN expert last December estimated this year's rice production would fall short by between 210,000 and 290,000 tonnes and that 1984 output had been 883,000 tonnes. But the report said measurement of cultivated areas and estimates of yields were made by villagers inadequately trained for the task. It said their figures were "somewhat imprecise" but a margin of error of plus or minus 15 percent reflected "fairly accurately the degree of precision of the rice production system as a whole."

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

THAI INCURSIONS—Phnom Penh, 30 Sep (SPK)—In the week ended on 26 September Thai aircraft on eight occasions overflowed the area of Ampil, Poipet, Yeang Dangcum, Kamrieng, O Da and Smatdeng, two kilometers inside Kampuchean airspace. Thai vessels made 185 incursions into the areas from 12 to 20 miles off the islands of Kaoh Kong and Kaoh Tang. On the ground Thailand made 32 shelling on the areas of northwestern Yeang Dangcum and western Kop in Battambang Province, and Smatdeng in Pursat Province. The same week, Kampuchean border guards and the local population put out of action 191 Khmer reactionary intruders, captured 59 guns and a quantity of other war materials. [Text] [Phnom Penh SPK in English 1144 GMT 30 Sep 85]

COOPERATION WITH HUNGARY—Phnom Penh, 27 Sep (SPK)—The minutes of the regular session of the Hungary-Kampuchea Commission for Economic, Scientific and Technical Cooperation were signed in Budapest Tuesday, reports VNA. At the session, the two sides noted that the goods exchange between the two countries has been increased, and Hungary agreed to help Kampuchea improve the people's living conditions and train cadres in 5 years to come. Chea Soth, vice-chairman of the Kampuchean Council of Ministers, minister of planning and head of the Kampuchean delegation at the session, held talks with Lajos Faluvegi, vice-president of the Hungarian Council of Ministers and president of the National Planning Commission. The two sides signed a protocol on the construction of maize and soya-bean processing factories in Kampuchea with Hungarian assistance. Kampuchean Vice-Chairman Chea Soth was cordially received by Gyorgy Lazar, president of the Hungarian Council of Ministers. [Text] [Phnom Penh SPK in English 1115 GMT 27 Sep 85]

CSO: 4200/30

ECONOMIC PLANNING, TRADE, AND FINANCE

HANOI WARDS REINFORCE MARKET ORDER, MANAGEMENT

Hanoi NHAN DAN in Vietnamese 24 Aug 85 p 1

[Article: "Hanoi Strengthens Market Management, Steps up Transformation of Private Commerce "]

[Text] Since early August, on the Hanoi market, prices of a lot of very essential goods have remained relatively stable without any great fluctuations. In addition to expanding the socialist commerce, all wards and districts have been strengthening market management and continuing to step up the transformation of private commerce and to prevent in time the negative phenomena in purchasing and selling.

Dong Da Ward, in 2 weeks, discovered and handled 429 cases of violations of market management regulations, such as weighing inaccurately, giving less goods to buyers and setting up illegal vending booths on sidewalks. An inspection of four tea-selling booths near the Sao Vang Rubber Mill led to the discovery and seizure of many illegally-acquired Sao Vang tires and tubes. The authorities of many subwards have ordered private business households to dismantle 176 illegally-erected booths on Route No 6.

Ba Dinh, Hoan Kiem and Hai Ba Trung Wards and the rural districts have been strengthening the forces in charge of market management and at the same time organizing close coordination of activities among the subward and village administrations and the tax collection and public security sectors for the purposes of managing prices and restoring order in purchasing and selling. Almost all state stores and marketing cooperatives now have their price lists posted. On the basis of the posted prices, the market management boards and customers have found and handled in time the cases of a number of sales people in the socialist commerce and private business people having raised the prices of pork and some other items. Some charges of services like bicycle repairs and haircuts and prices of some goods which had been raised by private business people were brought down.

In the first week of August, many cases of speculating and smuggling were discovered and some quantities of illegally stored goods were seized.

Also since early August, Hanoi has had a number of additional stores selling wooden clogs and plastic sandals, the result of a business cooperation between the state and private business households, with the latter having put capital in it. Efforts are being made to persuade many private households doing large- and medium-scale business in cotton materials, ready-made clothes and bicycle parts to do joint business with the state.

5598

CSO: 4209/5

ILLEGAL RATION PRACTICES, FARMING DIFFICULTIES DISCUSSED

Hanoi NHAN DAN in Vietnamese 7 Aug 85 p 2

[Article in column "Readers' Forum": "Mob in Hanoi Reorients Operations; Appropriation Nitrate Fertilizer Rationally, Guarantee Successful Tenth-Month Crop"]

[Excerpts] Since the state shifted a portion of wages in kind to payment in cash, we have had many less troubles: avoiding having to carefully check and arrange ration stamps and coupons before shopping for food for the family; avoiding being shoved and pushed by mobsters badgering and swindling ration stamps and coupons.

But, could it be that the mobsters in Hanoi have "given up"? The men and housewives well-acquainted with ration stamps and coupons shake their heads and indicate they'll wait and see. Everyone knows the mob made big profits in Hanoi during the last days of July because the families of workers and civil servants were worried about the end of the deadline for using stamps and coupons, and the mobsters squeezed ration stamp and coupon purchase prices in cahoots with state stalls and took out food to sell at a profit. A number of bad state trade employees also bought ration stamps and coupons and spilled goods on the outside to sell on the free market.

To keep workers and civil servants from suffering a loss, the Hanoi People's Committee has proposed continuing payment for unused stamps and coupons. But payment is not through the stores but rather through the units and organizations that issued them.

Bad elements, however, have refused to sit idly by. A state trade employee informed us that they are seeking ways to infiltrate the units and organizations to link up with bad elements and get payment for the ration stamps and coupons they bought and have not used. As an inducement to the person, they may be giving two for one.

So, let units and organizations be on guard!

Mai Kim Lien
Hanoi

The weather during the recent fifth-month and spring rice crop was unfavorable and virtually all cooperatives in our locality made an effort to tend and fertilize the rice. Many farming families far exceeded the contract norm, thanks mainly to preparing enough nitrate fertilizer to spread.

Transplanting of this tenth-month crop is going slowly (due to the slow harvest), and our farmers see the need to cultivate even more intensively and to continue to invest in order to have additional types of inorganic and organic fertilizer and insecticide. The present obstacle is the great difficulty in buying and exchanging nitrate fertilizer. Some paddy also cannot be exchanged. It is too expensive if bought or exchanged on the free market and production takes a loss.

The amount of nitrate fertilizer the cooperative has given us is just enough for applying the main fertilizer for the tenth-month rice; supplementary fertilizing is seriously lacking. We recommend that responsible organizations assess the agricultural production situation in each locality and have a rational and prompt apportionment of nitrate fertilizer and not have places needing it have a shortage and places having it not needing to use it.

Le Thanh Binh
Thai Binh

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ECONOMIC PLANNING, TRADE, AND FINANCE

VALUE OF SMALL INDUSTRY, HANDICRAFTS TO ECONOMY PROMOTED

Hanoi NHAN DAN in Vietnamese 31 Jul 85 pp 2,4

[Article by Professor Vu Van Chuyen and Phan Dung in the column "Economic Forum":
"Develop Small Industry and Handicrafts in the Rural Areas and Mountain Area:
Stop Migration from the Rural Areas to Cities; Do What to Find Jobs?"]

[Text] Even though our party and government are exerting all-out efforts and have many timely, appropriate measures, our country, as well as many in Asia and Africa, is facing a "rapidly increasing population and surplus labor" situation. There are 150 countries in the world of which 34 are developing and poor yet have a high birth rate. Vietnam is one of the 34 developing countries, so keeping the birth rate to a minimum is essential.

The population explosion in the world as well as in our country (luckily, we have had a timely birth control plan) gives us pause for thought. The rapid increase in population also adds to the population density in areas of land already heavily populated and contributes to fostering and promoting spontaneous migrations. The capital of Mexico leads the world with 30 million people, Sao Paulo ranks third in the world with 26 million, and Calcutta (India) is fifth in the world with nearly 22 million people. There also are approximately 20 million people in Tokyo (Japan) and New York (United States). Each socialist and capitalist country has had a different measure, but all share a common objective -- to stop the rush of rural people to the city.

Vietnam also has the foregoing phenomenon, but our government has had prompt, appropriate measures to bring people from the lowlands to the uplands, to move people from heavily populated areas to the Mekong River Delta, and so on. However, the urban population in our country is also increasing rapidly. The over-concentration of people in cities brings with it many problems which need resolution: hospitals, schools, nurseries, grain, food, homes, medicine, cloth, goods, etc. This does not even take into account order and security, also a very big problem.

Our country is a very young country both literally and figuratively. Young children account for approximately 50 percent of the population. As a result, our labor force is not extensive. Please note that labor productivity in the Soviet Union is high, but there is a ratio of three laborers taking care of one person whereas in Vietnam labor productivity is low yet children and the elderly are

numerous, and one laborer must take care of four people. What can be done for accumulation and to make "the population rich and the country strong?" The percentage of labor is low, labor productivity is not high, and the mechanized situation is limited. So why is it in Vietnam that one person takes care of four people yet we continue to let farmers pour into cities and leave land fallow and uncultivated?

Redistributing labor and sending people to areas where "land is extensive and people are sparse" is an important strategy. Yet the investment is very costly. The experience of Indonesia indicates: the estimate is that each year the country move approximately 50,000 people to new territory. The cost of moving a single farming household (average of five people per household) is 1,200 dollars. In Vietnam, stepping up the redistribution and rational use of manpower and increasing the pace of the movement of laborers and the populace in order to solve the labor problem also are the prime objective. But we cannot allow people to be concentrated in cities where land is tight, people are numerous, housing is inadequate, and work is unavailable, causing many disturbances and social ills.

We therefore should develop additional secondary trades for places where land is extensive and people are sparse. Moving people takes a long time, a large investment and very laborious organization. The best measure is to put small industry and handicraft trades into the aforementioned areas. This is the pressing trend of the world which all the representatives attending the International Conference of Cooperatives held from 28 June to 1 July 1982, in Florence (Italy) unanimously endorsed and warmly received. We start with our situation and consult world experience to appreciate the following basic advantages:

- Small industry and handicrafts are not complex, are easy to learn and do, require minimum investment, can be done once learned and therefore can be appropriately introduced into rural areas whereas investment in industry requires capital, equipment, high-level, skilled technicians, broad areas, etc.
- Small industry and handicrafts can, together with agriculture, provide improved farm implements to help agriculture gradually advance toward mechanization and toward making a large, socialist livelihood. Only with small industry and handicrafts can we create suitable farm implements, even an individual unit or series of units, that suit the milieu, environment, labor conditions, climate, and people of each locality.
- Small industry and handicrafts are capable of producing specialized equipment and gear for farmers and crude means of transportation the farmer can effectively use in farming and agricultural production.
- Small industry and handicrafts can hold uncomplicated trade courses as is being done now and continuing to be done, such as weaving woolen and jute carpets, making rush sleeping mats, working in the export woven rattan and bamboo trade, making hats, mats, handbaskets, furniture, cabinets, etc., not only to help farmers fully use their capabilities during free time outside the agricultural season but also to fully employ the capabilities of students, farming children and mountain region people, as handicraft cooperatives have done are doing well.

Even though the 1984 value of gross output for the entire small industry and handicraft sector reached 110.6 percent of the plan norm (a 16.3-percent increase over 1983) and the value of export goods reached 124.8 percent of the plan norm (a 21.4-percent increase compared with the previous year), the realities of Vietnam have clearly indicated as Do Muoi, member of the Political Bureau of the Party Central Committee and deputy chief of the Council of Ministers, pointed out at the small industry and handicrafts sector's 1984 review conference:

"Small industry and handicrafts production is developing slowly and unevenly between areas, localities, etc. In many places, especially in mountain region, midlands and border provinces, it is still too weak and does not substantially meet the needs for the life and production of people and support for combat, even though in these provinces there is huge potential in terms of raw material from sources of forestry products, labor, and land in order to develop sectors and trades in villages, form the agricultural-forestry-industrial economic structure in districts and the industrial-agricultural structure in provinces, redistribute labor, and create many products to meet needs on the spot and increase accumulation for the budget."

Therefore, together with intensive cultivation to expand agriculture-forestry-pisciculture, development of small industry and handicrafts in the rural area and mountain region has become the urgent and important need in order to make full use of labor and enrich the country.

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ECONOMIC PLANNING, TRADE, AND FINANCE

UNSUSPECTING CUSTOMERS BUY COUNTERFEIT GOODS

Hanoi NHAN DAN in Vietnamese 30 Jul 85 p 2

[Article by Ngo Duc (Hue), Vu Quoc Hung (Hanoi), Ha Quang Tue (Lam Dong) and Hoai Nam (Thanh Hoa) in the column "Readers' Forum": "Combat Sale of Counterfeit Goods"]

[Text] Readers in many localities send letters to NHAN DAN newspaper stating they have mistakenly bought counterfeit and "funny" goods sold by socialist tradespeople. One customer bought a bicycle sprocket wheel from the Chi Linh (Hai Hung) State Agricultural Marketing Cooperative. After putting it on the bicycle and traveling a short distance he saw it come off and break and knew then it was counterfeit.

Another customer went to the bicycle repair shop of the Bao Loc District (Lam Dong) Combined Trade Corporation and saw the sign "Foreign Ballbearing Hub, Price 200 Dong, Model XDXM-LT84." But after buying it and using it on the bicycle for just a month, he heard the hub making troublesome noises. Upon taking it apart to investigate, all the ballbearings were pitted -- a counterfeit product.

At the Xuan Phuong food and beverage store (Food and Beverage Corporation servicing Tu Lien, Hanoi), many people buy counterfeit lemon liquor, yet it bears the label of the Hanoi Distillery. They were caught red-handed in the warehouse with hundreds of such counterfeit bottles of liquor.

A number of other food and beverage stores also sell counterfeit lemon liquor bearing the label of the Hanoi Distillery, counterfeit Song Cau cigarettes, and counterfeit Truc Bach beer.

We must sternly punish state store employees who are in cahoots with those who make counterfeit goods to reap profits.

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ECONOMIC PLANNING, TRADE, AND FINANCE

EIGHTH RESOLUTION PROBLEMS, SOLUTIONS

Hanoi NHAN DAN in Vietnamese 2 Aug 85 pp 2, 4

[Editorial: "New Problems Emerge in the Countryside in Implementing the Eighth Resolution"]

[Text] The urgent problem is to determine internal regulated prices among internal organizations.

After a preliminary survey in some sectors and localities in their beginning stage of implementing the eighth [plenum] resolution, by paying wages in cash and setting uniform retail prices, we realize that this is not only to solve the problems of price, wage, money, but mainly aims at replacing bureaucratic centralism and state subsidies for an economy based on accounting (profit and loss) and socialist business. This resolution is not only related to workers, officials, cadres, city dwellers and those who have been labeled "non farmers," but also affects the whole countryside. It directly affects all aspects of rural life and production. Unfortunately, while implementing the system of paying wages in cash, of setting uniform retail prices and of including wages in the manufacturing costs, some places haven't considered what must be done about the problem of the countryside. Neither have they considered the difficulty bureaucratic centralism and state subsidies has created in rural production and in daily life and what changes will have to be made in commercial production at each cooperative and production collective.

In June 1985, we interviewed the directors of two cooperatives in Ha Son Binh and the outskirts of Hanoi and one newly-elected deputy director of a co-op in Long An. In July, we continued our interviews with a number of provincial, district and co-op cadres of Hai Hung Province. The same questions arose, but in general the answers were not specific. They were nothing but impressions, feelings, and thoughts, etc. that could be generalized as follows:

None of the basic level cadres anywhere disapproved of the eighth [plenum] resolution. On the contrary, they all welcomed the abolishment of bureaucratic centralism and state subsidies, applauding the governmental decision regarding the establishment of

a uniform and more reasonable requisition and purchase price for agricultural products. In Hai Hung for example, there is only one fixed price of 25 dong per kilogram of paddy, from 140 to 170 dong per kilogram for pork on the hoof (depending on the size of the hog). It is agreed that the farmers could accept the prices close to such market prices. The director of Binh Minh co-op, Thanh Oai District, Ha Son Binh Province spelled out the damaging impact of bureaucratic centralism and state subsidies toward agricultural production as follows: The supply of materials and fuel is usually lower than the planned level and doesn't arrive in time, the capricious supply of water and electricity to agricultural production is chronic, setting the requisition and purchase prices lower than the manufacturing cost of farm products (especially rice and hogs) forces the co-ops to make up the losses, gradually dries up farming funds and creates difficulties for developing production. This also applies to the requisition and purchase price of small industries and handicrafts produced by agricultural co-ops which doesn't correspond to production costs, hence discouraging the development of many occupations. Banks have reserved priority by offering lower interest rates for the agricultural sector, but it is not easy to obtain credits. While it is easy to make savings deposits, it is difficult to make withdrawals, etc.

In implementing the eighth [plenum] resolution, a number of management cadres of the agricultural co-ops, torn between joy and worry, have discussed many problems and have suggested possible solutions:

1. In places where the eighth Resolution has been applied since 1 July (like Haiphong, Vinh Phu, Hai Hung) will there be any changes in distribution of profit after the fifth month and spring crop? For this crop, production expenses were the same as in the past (with the same supply cost of materials and fuel as in the past), but the requisition and purchase price of paddy and hogs was set much higher than before (for instance, 25 dong per kg of paddy). Therefore, these co-ops made great profits. We discussed the situation with some leading cadres of Hai Hung. The province's policy was to decidedly stick with one fixed requisition and purchase price (thus eliminating the internal price) so that the co-ops could be entitled to receiving the total profit. However, regulating grain for beneficiaries of the government's policy does present some difficulty. Now can a privileged family that used to buy paddy at an internal price find the money to buy at the new high price? A village cadre who used to be entitled to receive a monetary allowance (of somewhat more than 200 dong) and who was allowed to buy, at supply cost, a quantity of rationed goods is now receiving about 100 dong in compensation for the price difference. The two sums amount to somewhat over 300 dong (according to the Chairman of the People's Committee in Ninh Thanh district, Hai Hung province). In the past, this cadre could buy an amount of paddy from the agricultural cooperatives with an internal price. Now if

he must buy paddy at 25 dong per kg will he only be able to buy somewhat over 10 kilos of paddy? The authorities in Hai Hung came up with the solution that the village budget would have to take care of these "differences." Then in case the village budget was running low, would it be possible to make some adjustment from the accumulated funds of the co-ops? This is the problem that needs to be thoroughly discussed and guidance submitted to the province.

2. Is it crucial that each co-op and production collective must revise its annual plan and its plan for each crop season to completely switch to profit and loss accountability, improving management systems and forms of product contracts so as to ensure profitability of commercial production. In addition to revising the economic and agricultural structure, animal husbandry, the development of small industries and handicrafts, and export participation, more attention should be paid to labor and technical management so that the best economic solution with the most reasonable manufacturing price could be reached to bring about maximum economic results. Such management should also oppose the tendency against multicropping and the tendency to underinvest in intensive cultivation and the fear of increasing expenses and hence increasing the cost per kilogram of paddy. It should also avoid production at any cost to promote high productivity and quantity but with little or no profit.

3. In order to be able to switch to profitable business-oriented production, is it still appropriate to keep the same old structure of production organizations with agricultural co-ops, small industries and handicrafts, marketing and credit co-ops? Presently, there are many different views regarding how to organize them. In Nam Bo, implementation of the eighth resolution clearly requires and encourages the urgent completion of cooperativization principally in the form of production collectives. These collectives, in spite of their limited productive scope, must immediately apply cost accounting in their business operations. The joint business and associational activities of Phu Loi Thuong has set a good example. Many provinces have organized joint collection to increase production and to increase business effectiveness. Bentre, Long An, Tien Giang Provinces are encouraging the building and strengthening of agricultural production organizations (co-ops and collectives), marketing cooperatives and credit co-ops, and encouraging cooperation among these three groups to improve village production and business. Luong Hua village, Giong Trom district, Bentre Province is a noteworthy model. Recently, there appeared an interlocking co-op combining agriculture, handicraft, marketing and credit, which elected a single management board and formed an agricultural industrial-commerce and credit structure at the basic level creating conditions for the village to control production, processing, goods and capital, which is good for business. Good models are Binh Minh co-op (Ha Son Binh), Nhon Khanh co-op (Nghia Binh) and some village in Chi Linh district. This method of

operations has just begun to appear. The planned norms, which have been recalculated are usually completely different from former norms and have nearly all been raised in product value, labor productivity, work day value, etc. A concrete example is Binh Minh co-op whose total 1985 estimated income was adjusted from 49 million dong (according to the planning early in the year) to 81 million (according to the plan designed last June.)

Regardless of how these village organizations are formed, by redetermining the current purchase price and the manufacturing costs and retail prices of industrial and businesses, these co-ops and collectives can't help revising their planning criteria, economic plans, projected profit and accounting. An agricultural co-op usually has economic and financial relationships with various goods ranging from agricultural equipment, fuel and construction materials, to consumers' goods, supplies and medicine, etc. It is necessary to review the planning and recalculate prices so as to come up with production costs for agricultural products. These co-ops can't wait to see new pricing set for industrial goods and made known to the public. Unfortunately, this can't be done within a short time. Therefore, the rural business production organization cannot soon function smoothly.

4. In switching from bureaucratic centralism and state subsidies to socialist cost accounting and business, the district plays an increasingly important role. Guidance by the district as well as administration at the district level has to convert to economic cost accounting and socialist business. The service and business sectors working together at the district level will work better and will guarantee increased production and improved product contracts. There have been more and more contracts between corporations in the district and co-ops to ensure protection of crops and livestock. The area of activity for maximum use of tractors needs to be reconsidered in accordance with the production planning of the co-ops. In particular, when special attention is paid to computing production costs, profit and loss in cultivation, these co-ops will be very "parsimonious" with the soil-preparation programs. The banking and credit organizations with their new policies will facilitate the business of production organization in the countryside. In the mean time, the business network at the district level, once reorganized, will be beneficial to production and the farmer's lives.

In conclusion, many problems are emerging in the countryside, but we will eventually come up with solutions despite initial difficulties. The fight against bureaucratic centralism and state subsidies and the change to socialist business and cost accounting will pave the way for the increasing business activities in the countryside and promote a better economic outcome.

ECONOMIC PLANNING, TRADE, AND FINANCE

SAVINGS CERTIFICATES ALSO TO BE USED FOR WAGE PAYMENTS

Hanoi NHAN DAN in Vietnamese 31 Jul 85 p 1

[Article: "On Using 200-Dong and 500-Dong Savings Certificates for Wage Payments to Workers and Civil Servants in Hanoi"]

[Text] Implementing the shift from paying part of wages in kind to paying in cash, the Hanoi People's Committee has, with the permission of the Council of Ministers and in accordance with the letter of instruction from the director general of the Vietnam State Bank, decided:

The Hanoi Municipality state bank may use savings certificates in amounts of 200 dong and 500 dong to pay wages and allowances to the cadres, workers, civil servants and dependents of central and local installations and enterprises within the municipality.

On each certificate is stamped an additional "Hanoi Municipality State Bank" circle and a "Hanoi 8" rectangle to distinguish them from ordinary savings certificates.

The aforementioned types of savings certificates are used only to purchase grain and fuel in state stores. The value of the certificate distributed to each worker and civil servant corresponds to the amount of money for purchasing grain and fuel for themselves and dependents. If the value of the goods is no more than 15 percent lower than the value of the certificate, the purchaser of the goods is paid back in cash. For 500-dong certificates, grain and fuel stores are permitted to pay back the purchaser with 200-dong certificates and an amount of cash not to exceed 75 dong.

For anyone holding certificates not being used to purchase goods, the amount inscribed on the certificate is considered as having been deposited in socialist savings with no appreciation and will bear interest of 2 percent a month beginning 1 August 1985, with redemption of both principal and interest over succeeding months at any savings fund in the municipality.

Certificates with additional writing and drawings are invalid. Grain and fuel stores and socialist savings funds must implement this decision in a convenient manner for people holding savings certificates.

This decision is effective 1 August 1985.

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ECONOMIC PLANNING, TRADE, AND FINANCE

NEW WAGE POLICY IN HANOI EXPLAINED

Hanoi NHAN DAN in Vietnamese 31 Jul 85 pp 1,4

[Article: "Abolish Concentration on Bureaucratism and Subsidization, Shift Completely to Socialist Accounting and Business: Beginning Tomorrow, 1 August 1985, Hanoi Shifts Portion of Wages in Kind to Cash at New Prices in Wages and Wage Accounting in Costs and Circulation Charges"]

[Text] Abolish System of Supply in Kind

Implementing Resolution 8 from the Party Central Committee, the Hanoi Municipal Party Committee and Municipal People's Committee recently decided: Beginning 1 August 1985, shift the portion of wages in kind to cash according to new prices in wages and wage accounting in costs and circulation charges. The resolution states:

Abolish the system of supply in kind at prices offsetting losses and implement price offsets for 10 items of set amounts (including bean curd) and six items in no set amounts in wages; at the same time, implement selling prices in accordance with the state's selling price system for these items beginning 1 August 1985. Implement allowances of 15 percent over basic wages that have been price offset for workers and civil servants. Price offsets in wages for production units and businesses are to be accounted for in gross costs and circulation charges. Price offsets for the dependents of production units and businesses are to be accounted for in budgetary expenditures.

Candidates for Implementation of Price Offsets Include

Cadres, workers, civil servants, people's army officers, people's public security forces, and national defense workers working in state installations, including central and the municipality. Retired and disabled cadres and workers and seriously wounded soldiers in Hanoi. Village, subward, and town cadres earning a fixed amount issued from the budget are to follow Decision 111-CP. Families of war dead, families that have revolutionary achievements and those covered by social policy are to receive distributions in kind at supply prices.

For cadres now earning a fixed amount in villages, the price offset portion according to ration stamps and coupons is issued from the state budget and the grain portion will still be distributed by the agricultural cooperative at the adjusted price within the cooperative. The municipal people's committee will

make the determination to supplement the level of the set amount to correspond with the level of the adjusted price within the cooperative. For candidates receiving social allowances in villages, the portion offset with ration stamps and coupons is also supplied by the budget and the grain portion is still the responsibility of the cooperative's social fund. This decision also applies to: laborers in state installations covered by the third shift pay differential system and hazardous pay differential system; students of colleges, vocational middle schools, and trade schools receiving living expenses issued by the state.

System for Dependents

People covered by the system corresponding to workers and civil servants receive price offsets for supplied items up to a maximum of four people, consisting of the parents (or persons who must be supported) and two children. The remaining people, now being distributed grain, food and fuel, receive an allowance of 300 dong per person per month; if being distributed only the grain portion, the allowance is 200 dong per person per month.

Prices for Calculating Specific Offset Are as Follows:

ITEM	UNIT	URBAN	RURAL
Rice	kg	40 dong	35 dong
Select Pork	kg	320 dong	300 dong
Fish	kg	120 dong	120 dong
Sugar	kg	80 dong	80 dong
Soap	kg	240 dong	240 dong
Monosodium Glutamate	kg	1,000 dong	1,000 dong
Bean Curd	kg	60 dong	60 dong
Fish Sauce	liter	50 dong	50 dong
Cloth:			
Worker/Civil Servant	person/month	30 dong	30 dong
Dependent	person/month	13 dong	13 dong
Fuel:			
Worker/Civil Servant	person/month	120 dong	80 dong
Dependent	person/month	75 dong	55 dong
Items With No Set Amount	person/month	55 dong	55 dong

The level of price offsets for goods is the price offsetting the previous supply price (excluding cotton cloth). State trade's retail selling price is the selling price based on the specific grade of each type of good.

Price offset depends on the system standard currently in force for which candidates are being distributed at supply prices through ration stamps and coupons and goods purchase ledgers.

Ledgers and Coupons Not Used to Purchase Goods by 31 July 1985 Will be Paid Off at New Price Beginning 1 September 1985

The municipal people's committee also decided that: all types of ledgers and coupons for purchasing grain and food not used to purchase goods by 31 July 1985, will be paid back gradually over 3 months either in kind or in cash at the new offset price level beginning 1 September 1985, and will be settled through the work unit and issuing unit of the person holding the coupons.

Implementation of the price offset for people's army officers, people's public security, state workers and dependents have separate stipulations.

The municipality stipulates: continue to use grain purchase ledgers, fuel coupons, and a number of other staple foods in the set amounts now in force and sell at the state's retail selling price.

System for Collective Economic Zones

For the small industry, handicrafts and transportation sectors related economically to the state, the municipality has decided to do away with the distribution of goods in set amounts and at selling prices in Decision 220-CP and recalculate pay in the processing price and transportation charges provided by the change in the retail selling price for items.

Purchase Prices

As for purchase prices, the municipality is recalculating the price of vegetables, fish, and the farmers' other agricultural products to ensure satisfactory coordination of the 3 interests -- the producer, the worker and civil servant, and the state. For the immediate future there are satisfactory measures for signed contracts.

Many Uniform Measures

To satisfactorily carry out the aforementioned decision, the municipal party committee and municipal people's committee has set forth many measures for the grain, trade, service, and marketing cooperative sectors to actively develop networks, expand and improve business, and promptly meet the production needs and life of the people; to strengthen market management; at the same time, to strictly prohibit acts of speculation and hoarding, market disruption, and price destabilization. The finance, banking, labor, price committee, and war invalids and social welfare sectors as well as the municipality's other sectors and chiefs of units are, in accordance with their functions, implementing the municipality's decision most satisfactorily.

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ECONOMIC PLANNING, TRADE, AND FINANCE

HO CHI MINH CITY IMPLEMENTS NEW WAGE POLICY

Hanoi NHAN DAN in Vietnamese 6 Aug 85 pp 1, 4

[Article: "Beginning 1 August 1985, Ho Chi Minh City Shifts Portion of Wages in Kind to Cash, Implements One-Price Mechanism for Retail Sales"]

[Text] Implementing the resolution of the eighth plenum of the Party Central Committee (5th session), based on the municipality's specific condition, and pending unified stipulations from central, the Ho Chi Minh City Party Committee and People's Committee have decided to: proceed with price offsets for goods supplied to cadres, workers, civil servants and dependents in Ho Chi Minh City beginning 1 August 1985.

Candidates for Price Offsets

The candidates for price offsets are those now enjoying state supply price standards prescribed in the Council of Ministers' Decision No 218/CP and Decision No 30/CP and in the municipality's stipulations.

The following offset plan will pertain to the armed forces (army, public security, national defense workers and civil servants, and professional officers and servicemen):

Goods Granted Offset

1- Goods supplied in set amounts consist of: meat, fish, sauce, monosodium glutamate, fuel, sugar, detergent, cotton cloth (rice has been subject to the price offset since July).

Third quarter fuel will still be sold at the supply price and fourth quarter cotton cloth will be granted the offset.

2- Goods supplied in no set amounts consist of: bicycle parts, tea, sleeping mats, nylon rainwear, thermos bottles, table fans, etc., calculated as a monthly sum of money.

Level of Price Offset

The level of the price offset for supplied goods is stipulated monthly by the Municipal Pricing Council, no later than the 25th of the preceding month, and

is implemented according to the principle that the person receives the price offset for buying items at the price level being offset at guaranteed quality. The commercial business retail selling price will serve as the basis for goods which socialist trade is fully capable of routinely selling retail. For goods incapable of being completely sold such as fish and fuel, use the average market price in the retail sales market as the basis for calculating the offset.

For goods such as rice, fuel (kerosene), etc., implement sales at the new price in set amounts and on the basis of ledgers as before.

Implement allowances 15 percent above price offset wages for cadres, workers and civil servants.

Procedures for Payment

Price offsets in cash are granted simultaneously with the two monthly pay periods (or monthly pay period) for retired and disabled cadres, policy families, etc.

The procedure for determining the offset is based on the existing ledger for purchasing supplied goods from which the granting of the offset is implemented. At the same time, urgently inspect and uncover inconsistencies and policy improprieties to be dealt with.

People having ledgers for purchasing supplied goods but who have not bought anything in previous months are now subject to determination of offsets under this stipulation.

Measures for Granting Offsets

1- For cadres, workers, civil servants and dependents belonging to the production and business sector managed by central, the municipality and precinct or district and the unit will directly take the portion of the profit paid to the budget to make up the offset like a budgetary expense item in items of expenditure above cost and circulation charges.

For production and business units with insufficient profits which must pay into the budget in order to make up the offset for cadres, workers, and civil servants as cited above, the finance service will determine the solution.

2- For cadres, workers, civil servants and dependents belonging to the administrative sector managed by the municipality and precinct or district, the administrative organization will directly grant the offset through the regular source of expenditures supplied and disbursed by the finance organization.

For cadres, workers, civil servants and dependents belonging to the administrative sector managed by central but stationed in the municipality's limits who have household registrations within Ho Chi Minh City, the administrative organization will directly grant the offset through the municipal budget's expenditure source submitted through the precinct or district finance bureau.

For cadres, workers, and civil servants on assignment in other provinces whose dependents live in Ho Chi Minh City, the dependent will receive the price offset

for supplied goods where the cadres, workers, and civil servants are assigned (rice may be bought at the set level with the price guaranteed at place of residence).

3- General school and college students receiving living expenses or scholarships from middle schools, colleges, vocational primary schools, worker training schools, centralized supplementary education schools party schools, etc., managed by the municipality and precinct or district will be granted offsets directly by the school through regular sources of expenditure limits supplied and disbursed by the finance organization.

Students from the aforementioned schools managed by central will be granted offsets directly by the school through sources of expenditures provided by the municipal bank through the precinct or district finance bureau.

4- Retired and disabled cadres having allowance ledgers, war invalids, families with revolutionary achievements, families of war dead and other policy candidates managed by the war invalids and social welfare service through the central bank's source of expenditures will be granted offsets by the war invalids and social welfare bureau through sources of expenditures transferred down from the finance service.

Members of social camps and students of industrial and agricultural education schools managed by the municipality and precinct or district will be granted offsets through sources of expenditures supplied and disbursed by the finance organization.

5- Assault youths will either be granted offsets as in item 1 if the unit has done economic accounting according to production and business or will be granted offsets as in administrative organizations if not.

6- Candidates receiving subward and village rates and subward and village militia and self-defense will be granted offsets by the subward or village people's committee through sources of expenditures disbursed by the precinct or district finance bureau.

7- For cadres, workers, and civil servants who have passed the examination for military service and wives who are not cadres, workers, and civil servants, their dependents will continue to receive price offsets as stipulated above.

To satisfactorily implement this resolution, the municipal party committee and municipal people's committee are concentrating guidance, have many consistent measures, and have high unanimity among levels and sectors, especially the finance, banking, commerce, grain, price, and market management sectors. Finance and banking are closely coordinating implementation of price offsets in strict conformity with policy and stipulations, and improving procedures and methods for disbursing price offset money so they are consistent, convenient and simple. The socialist trade sector within the municipality's limits is coordinating to strengthen the amount of goods, step up sales, and rapidly increase the percentage of retail sales and cash sales. It is giving extremely close attention to ensuring the quality of goods. The trade sector, especially district trade, is seeking to understand the structure and needs of society in order to promptly

reorient the goods and services structure. It is expanding the network of retail sales to sufficient strength to serve the consumer needs of cadres, workers, civil servants and laboring people, fully utilizing all of the socialist trade's retail sales networks (state, cooperative, agents, canteens, etc.), and improving methods, schedules and service attitude. It is strictly executing price discipline and sales methods, regularly inspecting the trade sector's business and combatting negativism. It is sternly dealing with instances of fraud making it possible for private traders and merchants to hoard goods for speculation, hike prices and destroy the economy.

The municipality is extremely concerned about market management and putting an end to bad elements spreading false rumors and hiking prices in order to speculate for profits through means of many measures for price tie-ins and by sternly punishing speculators and black marketeers.

The municipality has policies in this instance and is launching the movement of the masses to participate in market management, to rise up from within the party organization and the entire municipality from the municipal level to each neighborhood team throughout, and to take part in combatting crooked merchants who hoard goods, create price differences, and engage in speculation.

6915

CSO: 4209/620

ECONOMIC PLANNING, TRADE, AND FINANCE

FIRST STEPS TAKEN TO IMPLEMENT NEW PRICE, WAGE, MONEY POLICY

Hanoi PHU NU VIETNAM in Vietnamese 14-20 Aug 85 pp 2,3

[Text] The number of people standing in line at trade stores in Hanoi to buy food with ration stamps and coupons probably reached an all-time high in July 1985. People waited in line from early in the morning until late in the afternoon to purchase entitlements for May, June, and July!

On the morning of 1 August 1985, Hanoi began to implement the policy of price subsidies in wages, discontinuing that of issue prices, changing over from paying wages in kind to paying wages in money, and standardizing selling prices in state businesses.

On that date, the foodstuffs corporation planned to butcher enough swine for 10 tons of pork, but the buying demand was met with only 6 tons. Unlike a few days before, the corporation turned over 200 tons of cured meat, 200 tons of ocean fish, and some bean curd for ration stamps and coupons that had not yet been honored, which was still a drop in the bucket on the Hanoi market, which was almost completely composed of cadres and workers living on these issue coupons.

Many people were concerned and worried that, with many goods still in short supply, if the state discontinued issue prices and sold goods at the business price, market prices would rise high, causing price subsidies in wages to rapidly "evaporate," and it would be difficult for increases in subsidies to keep up with price increases. The first days of price subsidies in Hanoi provided practical evidence that calmed down many of these. If the situation remains what it was the first days in Hanoi, the price of meat and fish will be relatively stable on the market, and goods will be plentiful and varied in trade stores, marketing cooperatives, and private businesses.

Before, though the number of commodities issued was small, the large number of cadres, workers, and dependents accounted for a large proportion of state trade goods. Selling pork purchased at the high price of several hundred dong per kilogram at only 3 dong per kilogram caused the trade sector to gradually suffer losses and to be constantly short of money with which to purchase goods to bring to Hanoi. With the new price system, the trade

sector sees a more rapid return on its money, is capable of controlling its own business, rather than waiting for funds to compensate for its losses so that the volume of goods which the trade sector can keep can be more plentiful and varied. That is a very important factor for holding down and stabilizing prices of commodities in Hanoi so that they do not change greatly after subsidies are paid in wages.

A look at the decrease in the number of people standing in line and the volume of goods formerly sold as issue commodities over the past few days shows that price subsidies in wages will eliminate the somewhat artificial demands for commodities. Look around your household and those of acquaintances and you're sure to find a few meters of cloth, a bicycle tire, an aluminum pot...still unused! "Millions of little warehouses" among families with things stored that they bought without having a need for them or without putting them to use, because the price was too cheap, which created "artificial market shortages."

No more bemoaning the expiration date of ration stamps and coupons, no more bemoaning the long lines, no more complaints about having to buy unacceptable meat and fish. We are more in charge of consumption, and the consumer will eliminate the arrogant, possessive habits of trade sector personnel who used to be characterized by the attitude that they were selling goods as if giving them away for nothing. In order to sell commodities and receive money, state businesses must change the way they operate, paying attention to market preferences and the needs of consumers and maintaining civility in the trade sector.

From now on, the loss of state commodities will also be stopped at the source, because differences between the issue price and the market price will no longer exist. Instances of leaking commodities out to merchandising rings, selling goods by order or letter of introduction, and internal distribution will gradually cease when the "price imbalance" no longer exists, as it did before, as a source of rich profits.

Many agencies and sectors in Hanoi and the central echelon made some special efforts during the days of preparation for price subsidies in wages and the initial days that the policy went into effect in Hanoi. The Ministry of Agriculture and the Ministry of Food Industry granted Hanoi millions of dong worth of foodstuffs and fruit and vegetable commodities.

The banking sector made an effort to pay wages at the very beginning of August.

The trade sector opened 258 more points and 317 more places for sale of goods. It arranged for vehicles to go out to high-population areas to sell goods, collect money, and return.

The fuels corporation acquired enough oil to sell all year long and opened four more sales outlets for mixed fuels, from oil to pulp and coal.

The food sector opened 69 more counters and 19 sales locations in 4 urban wards, striving to categorize paddy immediately upon receipt in order to ensure that the right grade of rice is sold at each price.

Nevertheless, consumers had a number of problems and concerns during the initial implementation of the policy of price subsidies in wages. A portion of wages was paid not in cash, but in 500-dong and 200-dong fixed savings coupons for the purchase of rice and fuel for the individual and his dependents.

When we arrived at a number of rice-sales counters and encountered customers buying rice for the first time according to the new system who were all troubled and confused, stating that they had been very happy that, from now on, if trade sector rice was bad or if they arrived late, they would not have to be concerned, since they could buy it outside at a subsidy of 40 dong per kilogram and could buy a few kilograms if they wanted, but now they had to buy the rice in the trade store, or the money would be considered to have been deposited as savings, while not everyone had extra money! Rice is exactly 40 dong per kilogram, but fuel oil is 30 dong per liter, and not everyone buys an amount equal to the amount on the fixed coupon. Making change will be very confusing for the consumer. The people of Hanoi were very confused about these issues and hoped that the city would find more appropriate solutions to them.

At trade stores, buyers still realize that the customer needs the trade stores more than the trade stores need the customer. For instance, the trade sector only sells the many ordinary cuts of meat, and lean tenderloin and rump roasts are seldom displayed at trade counters, while such high-quality cuts are readily available at marketing cooperative and private stores. Hanoi customers are predominantly cadres and workers, so the most crowded shopping hours are after working hours, yet trade stores show no increase at this time, and there seem to be no good cuts of meat, only fatty ones. The trade sector must see to it that hours of operation, categories of goods, etc., are appropriate to the needs of the customer.

The new price subsidies to wages are only one step in the price/wage policy change from subsidy and bureaucracy to socialist business accounting. Price subsidies are therefore meant to lead to good changes out on the market, so that state business is no longer responsible for answering consumer demands of wage earners, and the free market is abandoned. From now on, state business must expand operations all the more, prepare enough necessities and develop the product sales network, increase market management in order to ensure that cadres and workers can shop conveniently and easily, and ensure that there is enough money to pay wages--for only then can prices be stabilized. That is the main hope and requirement of the people for the echelons and sectors of the state so that price subsidies have the desired results.

9830

CSO: 4209/628

ECONOMIC PLANNING, TRADE, AND FINANCE

FIRST DAYS NEW WAGE SUBSIDY POLICY IN EFFECT IN HANOI DESCRIBED

Hanoi PHU NU VIETNAM in Vietnamese 14-20 Aug 85 pp 2,3

[Article by Le Ngan Linh: "Implementing Resolution No 8 of the Central Committee of the CPV: Hanoi, First Days with Policy of Price Subsidies to Wages"]

[Text] At the end of last July, possibly in order to set off more clearly the harm and shortcomings of the old bureaucratic system of distribution so that everyone would resolutely relinquish it without regrets, the people of Hanoi, the majority of them workers and civil servants, had to buy truly bad issue foodstuffs "sight unseen." The paddy was inedible, the peanuts hard, the fish spoiled, and the pork especially bad. Pigs butchered far away and brought in frozen (and in the industrialized age of today, eating frozen food is a completely common thing) somehow, whether in storage or during transport, took on a spoiled, rotting appearance, even grey in some places, so that it took only a sniff to detect a bad odor. The July heat and improper storage of subsidy commodities caused many cases of diarrhea and food poisoning to adults and children of Hanoi. It is questionable whether any housewife would be stupid enough to pay good money for such bad, spoiled commodities. Yet this was a "quasi-gratis sale"--the worker had to perform work in order to obtain the supply coupons; they got nothing free, contrary to the mistaken supposition of some young trade-store ladies.

If the rice was bad, you bought it anyway, and, if it was inedible, you sold back. Rice sales personnel waited in groups in front of rice sales outlets to buy back that rice at a cheap price, and no small amount of it became livestock feed. Did that rice start out bad? Sad to say, no. Those were fine, wholesome kernels which our collective peasants nationwide worked hard and long to produce. The fault was in the subsidy system: if paddy is sold at 4 hao [1 hao equals 0.1 dong] per kilogram, why take good care of it? If it is damp, has worms in it, smells bad, is "sold as if given away free," buyers will not have to stand in line and compete with each other to buy it. And many sales girls in meat, oil, fish sauce, cloth, and rice sales stores, no matter how pleasant they were when they first start out on the job, finally became impertinent, saucy princesses haughty at their power to issue goods! Girls 18 and 20 years of age arrogantly insulted buyers 50 and 60 years of age who had made contributions and had knowledge at times three

times those of the young ladies. In the final analysis, the fault was not with these girls. It was because we gave them the power to "give away" rice at 4 hao a kilogram, oil at 4 hao a liter, and pork at 3 dong a kilogram. The old saying seems true: "To buy as if one is begging ruins the value of a man's nature."

Welcomed Changes

In a place like Hanoi, where things are slow, changes seem to stand out all the more vividly.

On the afternoon of 31 July, the loudspeakers on the streets instructed people on the new ways commodities are merchandised and wages calculated.

In the morning on 1 August, many people, though not shopping, peddled their bicycles past trade shops selling rice, food products, vegetables and fruits, etc., and turned their eyes to look inside.

What was most interesting was not the new clothes, nor the smiling, pleasant looks and expressions of welcome on the faces of the sales personnel. Elation came mainly from improvements in the stores and the rich variety of goods.

Look into foodstuffs stores in Dong Xuan Market, Hang Da Market, Hom Market, Ngoc Ha Market, and across from Kinh Do Theater (Cua Nam Market). Lean rump meat looks like lean rump meat; neck fat looks like neck fat; the shaved pigs feet is pure white, with no sign of black hairs; the ribs are plump with meat. Prices are also reasonable. One says to himself, "Previously, I could buy a kilogram of rump meat mixed with fat and gristle (whether mixed with a lot or a little depended on whether one was an acquaintance of the store clerk or a stranger, and on whether she had a good disposition or was happy or sad) for 3 dong; now I can order it any way I want. If I want very good rump, I can pay 460 dong for a kilogram of lean rump meat, and I can get a kilogram of good rump for only 350 dong--and the state provides a subsidy of 320 dong per kilogram!"

Beside the meat stand is the outlet for other foods: large and small packettes of monosodium glutamate, powdered soup, peanuts, fish sauce, vinegar--all wrapped up and all with prices clearly posted.

What is most enjoyable is the activity--activity that was missing for a long time under the subsidy system of executive management and has now begun to awaken in the new way of doing things.

The young women working in the trade outlets no longer stand in one place scowling at customers. At the food outlet in Cua Nam Market, it is pleasing to see the young trade women quickly cutting beef to sell the moderately large crowd of customers and rushing off to grab three or four recently killed plump yellow ducks to sell at the outlet. When a customer buys a duck, if she wants it for preparing a chop suey with bamboo shoots, the

sales girl is happy to cut up the bamboo sprouts and weigh them for the customer. Prices are reasonable--10 to 12 percent lower. In Hang Da Market, young women selling roast duck and roast pork also have a number of large glass jars, some with pickled vegetables, some with delicious pickled scallions marinated in sweet vinegar, which can be bought by the kilogram or tael. There are dried foods, smoked sausage, shredded pork, pate, and fermented meat dumplings. Vegetables are also more plentiful than before, are displayed more pleasantly, and are fresher, cleaner, and tastier than before.

Finally, the fish. Before, customers stood in line at fish outlets to buy ocean fish from baskets, whether the fish were plentiful, fresh, spoiled, tasty, or bad. It was difficult to buy it all at once--no matter how many coupons there were in the entire house, all had to be purchased at once, whether 2 kg, 4.5 kilograms, or however much. If there was too much to eat in time, some was eaten and some given away, some to the chickens and pigs. Now, you should go look at those trade personnel sitting out in front of Cua Nam Market to sell fish. The fish in baskets by the scale, though not yet truly large and good tasting (there is not much the sales girls can do about that), but they look clean and wholesome, and customers can choose what they want and buy three or four taels or half a kilogram at a time. The price is only 70-100 dong per kilogram, while the state provides a subsidy of 120 dong.

Sundry goods stores, though the merchandise is not cheap, offer a large variety and more pleasant displays. What before were only "display" items can now actually be purchased. There are toothpaste, soap, matches, medicine, milk, and sugar. There are goods from household items to clothing. There are even shops that sell such high class items as electric fans, television sets, and cassette radios. I remember how many women cadres used to say very earnestly (and rightly), "In some circumstance, I still may need a 'contact.'" Once, when there was someone sick in the house, where would we have gotten milk without a 'contact'? And if you need a kilogram of sugar, a tube of toothpaste, or a towel, where do you buy it?" Then, the "contact" served as an intermediary between those with the prerequisites for purchasing and without the need for goods and those without the prerequisites who needed them. It is also true that those who obtained goods from bad trade personnel, though angry at them, were lucky to be able to obtain the goods. Those vital needs in the life of each person and that very psychology explain why many persons in charge of trade in the past did not know how to work and held that it was necessary that "contacts" continue to exist.

Consumer Psychology and a Number of Current Problems

Though they have been in effect for less than half a month in Hanoi, the new method of wage payment and new method of distribution have won approval and complete support from consumers and housewives. The past images of restrictive ration stamps and coupons, long lines, and the yelling of trade personnel had created a mental attitude of fear in each person.

The consumer likes easy, convenient shopping. In this age, the way life is organized and the way it is more and more urgent that the large majority of women participate in social labor, society must provide measures contributing to making consumption constantly easier and more convenient. Internationally today, merchandising has become generally automated, and shoppers in supermarkets can buy from a few peppers or a few hundred grams of fish or meat to top line commodities. Of course, that depends on the development of each national economy, and no one can deny our objective difficulties today. But could it be that we do not yet see clearly enough the need for service to consumers and housewives that is more and more quick and easy? There is surplus labor in society and no shortage of trade personnel, yet commodities are not packaged before hand, but must be packaged when purchased, goods are placed and picked up haphazardly, carelessly, and without a thought to saving time.

Such consumer conveniences as processed fish and pickled vegetables, prepared foods, and cut-up chicken and ducks must be promoted. It has been fine the past days, but cadres, workers, and civil servants in Hanoi are worried about whether it can continue indefinitely. Will the food and grain "stretch"? Will prices remain stable? Hanoi has many central agencies and enterprises, so a very large volume of grain, foodstuffs, and other commodities must be supplied, but the central echelon and Hanoi have a huge rear area throughout the country. The problem here is good use and implementation of the price, wage, and money policy, promotion of production generally throughout the country and particularly in Hanoi, then good organization of transport, circulation, and subsequent distribution. Those who take advantage of bad trade personnel must be severely punished, along with those who harm the market through speculation. Another point is that Hanoi is different from the rest of the country in that a portion of wages are paid in letters of credit. This is necessary during the months of testing, when there is no firm grasp of the quality of goods and the purchase volume and not much cash on hand. Yet letters of credit for buying rice constitute a way of tying a buyer to food outlets and forcing a buyer, especially a buyer with little money, to accept, as before, whatever inconveniences there are and whatever food quality is available and creates artificial requirements and loopholes for bad trade personnel and operatives. It is the hope of consumers that Hanoi will more closely control and better organize acceptance, purchasing, storage, transportation, and distribution of grain and collection of money and quickly reach the point of discontinuing the use of letters of credit, so that buyers can freely and happily go to grain outlets with cash and no longer need letters of credit.

9830

CSO: 4209/628

AGRICULTURE

NORTHERN PROVINCES ACHIEVE GOAL OF PURCHASING MORE GRAIN

Hanoi NHAN DAN in Vietnamese 24 Aug 85 p 1

[Article: 'Nine Northern Provinces and Municipalities Achieve Goal of Purchasing Additional Quantities of Grain']

[Text] Since the fifth-month and spring rice crop this year in the northern provinces was quite good, the state has assigned a number of key rice-growing provinces the goal of purchasing more grain. As of 20 August, the provinces have put into storehouses over 95 percent of the goal set in the plan for the fifth-month and spring rice crop (including the additional shares assigned), an increase over the same period last year of 130,000 tons, which included nearly 100 percent of paddy purchased from the agricultural sector, 200,000 tons from two-way economic contracts and 70,000 tons from the services in agriculture. In order to get additional quantities of grain, they concentrated on using materials and cash to buy excess paddy from the people. Thanh Hoa, Nghe Tinh and Ha Nam Ninh Provinces have purchased from 8,000 to 10,000 tons of additional paddy each. Ha Nam Ninh itself got 41,000 tons with cash and by exchanging goods. The nine provinces and municipalities that have so far achieved the goal of purchasing additional grain in the fifth-month and spring rice crop are Thanh Hoa, Nghe Tinh, Ha Nam Ninh, Ha Bac, Ha Son Binh, Hanoi, Bac Thai, Hai Hung and Vinh Phu. The highland provinces where harvest was late have fulfilled only 60 percent of their goal in the crop season; Quang Ninh alone, after having fulfilled its goal, has purchased 1,000 tons of additional grain.

5598

CSO: 4209/5

LIGHT INDUSTRY

SOAP PRODUCTS IN HUE MADE MORE COMPETITIVE

Hanoi NHAN DAN in Vietnamese 30 Jul 85 p 2

[Article by Tran Quang, Binh Tri Thien: "Soap Products in Hue"]

[Text] Not long ago, virtually all small industry and handicrafts production installations in Hue Municipality (Binh Tri Thien) were not meeting the local people's needs for soap and detergent. What was the trouble in a municipality with thousands of skilled workmen?

For many years now the Binh Tri Thien Processing-Purchasing Corporation has contracted to buy and sell items produced in the locality. Soap in particular has had many difficulties, the quality was poor, and consumers preferred using soap from other provinces. The corporation went directly to production installations to look into ways to rectify the problem and to inform the producers that a kilogram of Dong Nai soap costs 150 dong and sells quickly while the Hue soap costs 95 dong a kilogram but is still hard to sell. The problem is that the production techniques of the installation are poor. The corporation recommended that the Xuan Huong soap production installation send someone to look into and inquire about the soap production techniques in Ho Chi Minh City.

After more than 4 months of inquiry and study, the Xuan Huong cooperation team has become Hue Municipality's leader in soap production techniques. To make it possible for the installation to expand, the corporation is procuring coconut oil from production areas scattered throughout the province and is attempting to supply enough raw materials in accordance with signed contracts. The corporation sends cadres to the installation to get experience when soap is being produced under a new technique. From the Xuan Huong cooperation team, the corporation is encouraging other installations to change soap production techniques. Thanks to concentrating on the key factor -- improving quality -- soap produced in Hue Municipality is increasingly gaining the trust of the consumer.

As for the impact on production to obtain products, this year the corporation is encountering a great many obstacles. The biggest is that the purchase price for raw materials is unstable, the price of coconut oil for example. If production installations still hold to the fat content as before, the cost of soap in 1985 will rise considerably higher than the old price. If the fat content decreases, the utility value of the product will drop. To overcome this conflict, the corporation and cooperation teams meet routinely to discuss adjusting purchase prices

rationally and ensuring principles of purchase and sales without loss. Thanks to having the aforementioned positive, active measures, the processing-purchasing corporation has taken control of sources of soap products in the localities. During the recent 1st quarter, the corporation procured 341 tons of soap of various types, achieving 140 percent of the signed contracts, and bought 76,000 tubes of toothpaste, a 14.7-percent increase over the plan norm.

The soap and toothpaste the corporation buys in Hue Municipality is supplied to state trade stores and marketing cooperatives in the municipality. Moreover, the corporation is also supplying 13 other districts and towns in Binh Tri Thien Province.

6915

CSO: 4209/616

POPULATION CUSTOMS, AND CULTURE

LABOR, POPULATION REDISTRIBUTION IN NGHIA BINH

Hanoi NHAN DAN in Vietnamese 26 Aug 85 p 2

[Article by Van Lung: "Experience and Questions Raised in the Process of Distributing and Using Labor in Nghia Binh Province"]

[Text] In the last 9 years (1976-1984), the party organization and people of Nghia Binh Province were regularly assuming leadership over the distribution and use of labor and population within the province and sending large numbers of people to provinces in the Central Highlands to promote socio-economic development. More than 30,000 families, totaling 150,000 people, including nearly 72,000 laborers, were relocated to create 50 new economy-population centers, who helped to build new villages and districts in many areas of the Central Highlands. Those people opened and broke more than 70,000 hectares of new land for crop growing, created a considerable volume of products for society and properly combined the tasks of developing the economy on the one hand, and strengthening the defense capabilities and maintaining political security and social order on the other, in Dac Lac, Gia Lai-Kon Tum and Lam Dong. Many new economic centers soon were able to stabilize the living conditions of their people and to develop production, with life in some localities being better, both materially and spiritually, for them than in their old native places.

Urgent Needs in Life

To redistribute labor and population is a historical necessity for every nation. Nghia Binh itself was heavily destroyed by war, with many populated areas being totally razed, and no trees and hillocks left standing. As the working people had been forced to gather in concentration areas or to go to cities and towns to find ways to earn their living, the differences in population density among different areas became very great, with tens of thousands of hectares of land being left uncultivated and fallow and agricultural production encountering many difficulties. The City of Quang Ngai had nearly 79,000 people, with nearly 33,000 of them being in the agricultural sector, a natural area of

34.96 square kilometers and a population density in the city as a whole of 2,300 people per square kilometer and in the highland districts of 16-40 people per square kilometer. The highland districts accounted for 66 percent of the natural area of the whole province, but only less than 10 percent of its population. The province had a natural area of 11,900 square kilometers and a population of 2.3 million people. The rate of population increase remained at the level of 2.73 percent after the liberation and dropped to 2.3 percent only in 1984.

The pressure created by the province's population and the population density differences existing among different areas raised a question for the party organization and people of Nghia Binh: How can they develop the economy and improve the standard of living?

When our party and state considered nationwide labor and population redistribution as a strategic task in the first phase of the period of transition to socialism, Nghia Binh was able to recognize early the important role and significance of this task. A widespread and enthusiastic campaign took place in many districts and was aimed at organizing people to be sent to the Central Highlands to build new socioeconomic zones. In 1976, the province organized 6,250 families totaling more than 28,000 people for being sent to open new land in Gia Lai-Kon Tum and Dac Lac Provinces. And in 1980 and 1982, each year more than 18,000 people left their native land of Nghia Binh to go to the newly-opened areas in the Central Highlands.

The sending of laborers and people out of the province in the last 9 years was a great effort on the part of Nghia Binh. In spite of the locations being far apart, the rate of sending people away quickly increasing every year and capital, materials and means of transportation being limited, it succeeded in organizing and sending away nearly 23,000 families, totaling more than 113,000 people and including more than 56,000 laborers, to the sparsely populated areas in the 3 central highland provinces. Gia Lai-Kon Tum accepted nearly 7,200 additional families, with more than 35,000 people, from Nghia Binh; more than 26,000 people were sent to Dac Lac; other people went to state farms or other populated areas as fill-ins. There were especially nearly 37,000 people who chose the areas to go to as fill-ins. This was a surely effective way to move people as it underwent leadership based on definite projects and plans.

Being fully aware of the difficulties in sending people out of the province, the party committee echelons, administration and sectors concerned were assuming concentrated and unified leadership over that aspect of their work. The way Nghia Binh was doing was to use in advance a force of young and healthy laborers who would fulfill the task of opening new land, improving farm land, doing water conservancy work, building roads and erecting houses for the

people to come to the Central Highlands. Finding the right location, making good preparations for building work and determining the direction for production prior to receiving laborers and people is an important need that will directly determine the outcome of resettling people later. If the people who are sent in advance to prepare the location lack a thorough knowledge of the soil, water, weather and crops in the new population zone, the consequences will be such that the people who come will sooner or later leave the place.

We can say that sending the people out of the province was a difficult movement and costly in terms of both energy and money for all localities and production installations. In Nghia Binh, 70 percent of the costs of sending a family to the Central Highlands was provided by the local budget, with the basic level bearing nearly 60 percent of it. That did not include expenses for grain, seeds and the necessary materials which the localities that sent people away had to continue to share for the first 3 years.

In the process of encouraging the people and sending them away Nghia Binh was able to create a correct awareness of the interests and obligation on the part of every person and every family. The reason behind its success in establishing 23 new economic population centers in the Central Highlands was the fact that for tens of thousands of people the form of persuasion had been switched from coercion to voluntary choice. The fact that the new economic district of Sa Thay (in Gia Lai-Kon Tum Province) was established and that Sa Son and Sa Binh 1 Agricultural Cooperatives were born and obtained a rice crop yield of 8-10 tons/hectare through intensive cultivation was due to the people sent over from Nghia Binh who accounted for 50 percent of their population. A number of newly-established villages of E H'leo, outside of the City of Buon Ma Thuot, and Krong Ana Districts (in Dac Lac Province) had a considerable percentage of their population being people from Nghia Binh. In the areas that had been the scene of operations of the FULRO (i. e., United Fighting Front for the Oppressed Races), when the "new villages" were created, not only were the "hiding places" of its members totally wiped out, but the new mode of working and the new way to persuade people also brought many followers of those rebels back to honest living again.

In many new economic zones in the Central Highlands, the presence of Nghia Binh people contributed to effectively putting to use many areas of fertile land; strengthening and consolidating the socialist production relationships; building the necessary infrastructure serving production and everyday life, such as water conservancy works, communications, schools, public health stations and marketing cooperative stores; and developing the handicraft and farm products-processing occupations. Many localities were able to properly resolve on-the-spot the needs for grain and foods and for the first time had farm commodities to exchange with the state. Some localities had farm products available for export, such as Sa Thay having sa (Cymbopogon) essential oil and E H'leo having peanut; others had coffee, pepper, and so on.

The presence of more than 150,000 Nghia Binh people in many parts of the Central Highlands, including 57 district party committee members, 108 former CPV standing committee members, 31 doctors and doctor's assistants, 39 teachers, and so on, has basically changed the population pattern here. The economic and cultural exchanges between the two regions have encouraged production and cultural, artistic, physical education and sport activities, thus helping to beautify the rural appearance of the Central Highlands.

In addition to moving people out of the province, Nghia Binh planned the effective use of nearly 800,000 laborers in practicing intensive cultivation in 200,000 hectares of crop land, properly satisfying the needs for grain and food and creating a base for the offensive aimed at 570,000 hectares of bare land and hills. Since 1982, Nghia Binh has really been encouraging the new division of labor throughout the province and in every district and even every village.

We had an opportunity to carry out a study in the villages of Binh Trung and Binh Thanh (Binh Son District), Da Ban (Mo Duc), Hoai Thanh and Hoai Huong (Hoai Nhon), Dong Sim (Tay Son), Cat Tuong and Cat Hanh (Phu Cat), Truong Tho (An Nhon), and so on. The outstanding feature of the redistribution of labor and population here was the fact that efforts were concentrated on growing such industrial crops as coconut, dao lon hot (*Anacardium occidentale*), sugar cane and peanut and planting trees for afforestation and for preventing sand erosion on the coast. Almost all production installations were seeking a rational application of the motto, "Use the short-term crops to cultivate the long-term ones," or promoting a combination of agriculture and forestry. And at the same time, a harmonious combination of the collective and family-based economies, with the common economic management formula being the signing of end-product contracts with laborers. As we traveled in the 200-hectare dao lon hot-growing area of Da Ban in Mo Duc District, we were able to see more clearly that, with the product contracting system being adopted from the very beginning, the rate of survival of the trees was high, that their growth was steady and that they began to bear fruits as soon as the 3rd year.

The distribution of labor and population simultaneously took place in 13 districts in the province. The fact that the working methods, levels of investment and organizing and leadership processes were different from one another showed the varied features of many areas in the province. In Dong Sim, an "installation 2" of Binh Phu 2 Agricultural Cooperative (Tay Son District) succeeded in reorganizing production and improving and properly protecting 1,800 hectares of forests. Attention was paid from the beginning to building the infrastructural installations; schools and nurseries looked neat and nice and well-built; the population centers had been planned in a rather centralized manner, with almost all houses having tiles-covered roofs. The direction for production here was forestry, industrial crops (sugar cane and tobacco) and animal

husbandry. But due to water conservancy difficulties, the industrial crops had to totally rely on rain water. Consequently, production was far from stable, with laborers apparently leaning toward the installations 1 more heavily than toward "installations 2," and economic results were poor.

When we were in An Nhon, Hoai Nhon, Binh Son and Mo Duc Districts, we found as a very common occurrence that the laborers in those localities had learned very well the formula for campaigning from the basic level, "The people do the work, the state supports." In Cat Hanh (Phu Cat District), the state gave 2,000 dong to a family for building its house. But some families spent as much as 17,000 dong just to pay for labor needed for the house construction. The capital invested in opening new land from the state support was 2,000 dong per hectare, but in reality up to from 10,000 to 15,000 dong were needed, and in the case of opening new land for rush growing as much as from 20,000 to 25,000 dong.

A large majority of people believed that they worked first of all for themselves and their families, and then for making more products for society. As a result, we were able to mobilize abundant capital and materials from the people. Since 1981, the agricultural cooperatives and people throughout the province have contributed 50 million dong to the redistribution of labor and population in the province. And in the last 10 years, the province as a whole opened more than 48,000 hectares of new land for grain production and for other industrial and food crops. The capital invested in the opening of 22,000 hectares of such land came from the contributions of the cooperatives and people.

The ability to launch mass movements in which people volunteered to go and to open new land in some district or in the province or to build the "installations 2" of agricultural cooperatives was an important factor aimed at fulfilling the task of redistributing the population, linking labor with land and attaining early results and fast and steady development.

The fact that 27 new economic and population zones were established in many districts in the province in recent years clearly showed the sense of self-reliance of the Nghia Binh cadres, party members and people. Since 1983 these installations have planted some 800 more hectares of coconut, 2,100 hectares of dao lon hot, 300 hectares of rush and nearly 5 million fruit trees and timber trees. In 1984 alone, in addition to satisfying the local needs, the new economic zones delivered to the state 110 tons of paddy, 500 tons of manually-made sugar, 50 tons of peanut, 615 tons of dried manioc, 1,300 tons of uncut sugar canes, and so on. As the result of good intensive cultivation and of planting trees to improve the soil and to retain water in the soil, a number of localities attained a per capita grain production of 400-500 kilograms. The day we worked in Tay Son District, we offered this opinion: as long as a sandy-soiled area that was poor like Binh Thanh succeeded in creating a vast forest

to stop the sand movement, which is now valued at 60-70 million dong, and in having sweet potato crops that yielded 12 tons per hectare, there could be no place in the land of Nghia Binh that would suffer from hunger and want of clothing.

Questions Being Raised

For Nghia Binh as well as many other provinces, the process of redistributing labor and population is and will be an urgent need in the few forthcoming 5-year plans. And in these localities, the sending of a large component of their population out of the province remains a major need. Every year Nghia Binh needs to send about 20,000 people out of the province. This figure is totally feasible at the departure locations. But there are obstacles in the locations of reception, and we can say that a stalemate exists unless there is positive arrangement by the central sectors. For only a meeting of the key cadres of two provinces, i. e. the old way of doing things -- having a brotherhood agreement, is not enough and, realistically speaking, does not bring about the desired results.

In the economic plan of the province, the cadres in Nghia Binh have seen a good direction for development -- extending the cinnamon-growing areas in such districts as Tra Bong, Son Ha, An Lao, Van Canh, and so on in order to raise the total number of trees from 40 million to 100 million. A common difficulty in these localities is the lack of roads. Nghia Binh has had good experience in organizing advance labor forces to be sent to many areas in the Central Highlands. While it has each year 10 million obligation man-days available for the highland districts, how much labor can it invest in building early roads leading into the cinnamon-growing areas?

Nghia Binh is being a land where people must cope with the harsh natural conditions. In some year it was sunny for 8 consecutive months, during which not a drop of rain fell from the sky and herds of cattle did not even have water to drink. The war left behind 570,000 hectares of bare hills and mountains where planting has been minimal. When we were working with the leaders of the provincial People's Committee, we raised the question of how to cover with green vegetation the bare mountains that surround the City of Quy Nhon. And as we went to the basic installations, everywhere people expressed the determination to get rid of the uncultivated land and bare hills by 1990. But when we asked about any concrete measures, no appropriate answers were found. In addition, of the 880,000 laborers in the province, the number of laborers invested in forestry now accounts for .5 percent of the total social labor. In the coming years, labor in forestry is expected to be increased to 3-4 percent. We think that it is necessary to find a working method that broadly derives from the masses so as to properly resolve the relationships among the three interests, if we want to attain the desired objectives.

Nghia Binh has 262 kilometers of coastline and 500,000 people living in the coastal areas. But of 200,000 laborers the real fishermen number only 30,000 (statistics provided by the Nghia Binh Labor Service). There are only from 5,000 to 7,000 people who are specialized in producing salt. How is the objective of extending land into the sea, reorganizing production and strengthening the new socialist production relationships in these areas being fulfilled in order to quickly spread the people to the coast, as it was done along Route 4 in Hoai Nhon District? How many more laborers can the province attract by developing the salt- and rush-producing occupations, building dikes to extend land into the sea and raising shrimp and fish, as it was done in the Thi Nai area?

In the new economic zones, once production has been stabilized, with a fast increase of the volume of products, it is necessary to have economic integration, first of all to properly resolve the circulation matter and to put an end to the "closing markets and blocking rivers" situation in order to allow laborers to be owners of the products they have made, if we want to get the effects of stimulating production development. As to the substance of economic integration and the method of organizing its achievement, so far no organ has been designated to bear the responsibility.

Redistributing labor and population and building new socioeconomic zones is a very complex proselyting process and a closed cycle. Having a machinery being strong enough and having the right experience in fulfilling this task from the time the people leave the province and until they have a "second native land" is a need that must be satisfied early.

The rate of population increase and of economic development has a close inter-relationship. In the past years, the movements for redistribution of labor and population and for family planning were carried out in a broad and regular manner. However, in Nghia Binh as well as in other localities, the two movements were not fully synchronized. In the case of Nghia Binh, which currently has a population of 2.3 million people, it took 10 years to reduce the natural population increase rate from 2.73 to 2.3 percent. Therefore, in order to achieve the objective of reducing it to 1.2 percent by 1990, there must be extraordinary efforts on the part of every individual and of society as a whole.

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